

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination. The 2002 Budget for HUD reflects initial implementation of a multi-year comprehensive reform effort which will enhance the effectiveness of programs, reduce high unobligated and obligated balances, and return HUD to its core mission. Congress has provided significant increases in several HUD programs over the past two years.

The 2002 budget provides for three grant programs which will serve HUD's fundamental affordable housing and economic development missions. Community Development Block Grants (CDBG) will be increased to initiate a Community Technology Centers program building on HUD's existing neighborhood network program. In addition, a new initiative will be funded to improve access by disabled persons to religiously affiliated and community based facilities that are exempt from the requirements of Americans with Disabilities Act. The Self-Help Opportunities Program (SHOP) is increased by more than 10 percent in an effort to accelerate home ownership by low-income families.

The HOME Investment Partnerships Program will include \$200 million in targeted grants to increase first-time home ownership by lower-income families. New home buyers will receive down payment assistance.

The 2002 budget includes 34,000 incremental vouchers that will help address the severe housing needs of low-income households. These vouchers are necessary to address the substantial number of families nationwide which have worst case needs for housing assistance: extremely-low income families currently paying more than half their income for rent or living in severely inadequate conditions. In addition, this Administration reaffirms the long-held commitment to renew all expiring Section 8 contracts, to protect residents from displacement by substantially increasing funding for Section 8 renewals, to provide Section 8 tenant-based assistance for displaced families, and for the replacement of affordable housing due to opt-outs from the project-based Section 8 program.

The Administration also continues its support for the Department's successful Housing for Persons With HIV/AIDS program (HOPWA) by providing increased funding to prevent thousands of persons with HIV/AIDS from becoming homeless. This increase is necessary to continue to provide stable housing and services in existing local programs and fund new jurisdictions as they become eligible for formula funding due to the continued increase in the number of AIDS cases.

The Housing for the Elderly program (under Section 202 of the Housing Act of 1959) will be increased in 2002 to fully provide for the renewal of contracts to assist rental of low-income elderly units. This is the first year that contracts for assistance will be renewed. The Housing for Persons with Disabilities Program (under Section 811 of the National Affordable Housing Act of 1990) will also receive additional funding to renew contracts for rental assistance in this program.

The budget will increase the Federal Housing Administration's (FHA) maximum mortgage loan limits for multi-family projects. In addition, the budget authorizes FHA to develop new adjustable rate mortgage products. These provisions will provide much-needed credit assistance to first-time homebuyers, minorities, and other underserved populations.

Increased funding for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will strengthen the ability of public and private fair housing groups, and partnerships between them, to enforce the laws protecting all Americans against illegal housing discrimination. Funds dedicated in past budgets to completing a national survey of housing discrimination will be redirected in 2002 to both FHIP and FHAP, increasing total anti-discrimination activities by almost 20 percent.

In order to ensure the effective implementation of its programs, the Department's Office of Policy Development and Research (PD&R) will be provided with funds necessary to ensure timely provision of data, research and analysis of national housing and economic conditions, and to measure the performance of programs, consistent with the Government Performance and Results Act of 1994.

The Department will initiate a number of reforms in 2002 to refocus HUD on its core mission and key programs. The first in a series of planned reforms to improve program performance is to ensure that programs receive funding when it is needed. Several programs have built up large amounts of unobligated and obligated balances, including the Public Housing Capital Fund and Section 8. Hence, these programs will not receive last year's levels until these balances are brought down to reasonable levels.

In addition, duplicative and low-impact programs will be terminated. The Department is initiating full-scale reviews of other programs as well. Public Housing Drug Elimination Grants, which duplicates Public Housing Operating and Capital Funds, and a rural economic development program, which duplicates numerous USDA programs dedicated to rural development, will be terminated. Management reforms are a top priority for the new HUD. Inadequate systems have weakened HUD's ability to monitor lenders that use HUD's guarantees and resulted in several material weaknesses identified in the FHA financial audit. A fraudulent scheme known as property flipping also has been discovered. FHA will strengthen the integrity of internal systems and controls to eliminate the need for foreclosure moratoria or other emergency responses. Actions also include improving loan origination processes and providing better monitoring of lenders and appraisers. HUD will also focus on the long-standing problems of weak oversight of local housing providers and overpayments in HUD's rental assistance programs. Weak oversight of local agents has reduced the quality of housing services, increased costs, and reduced the number of households that can be aided. HUD will improve its management rating instruments to oversee these agents, making them more outcome-oriented rather than process-oriented and making other revisions as recommended by the National Academy of Public Administration. HUD will also undertake reforms to correct overpayments in HUD's rental assistance program because tenants' incomes are under reported and rents are improperly calculated or not fully collected. HUD will undertake reforms to reduce these overpayments including steps to ensure that local agencies and landlords can correctly calculate the rent owed based on program rules, full implementation of HUD's existing authority to match tenant-reported incomes with IRS records, and more accurate and full reporting by local housing agencies of tenant characteristics for all assisted tenants.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, **[\$13,940,907,000]** **\$15,717,392,000** and amounts that are recaptured in this account to remain available until expended: *Provided*, That of the total amount provided under this heading, **[\$13,430,000,000]**, of which \$9,230,000,000 shall be available on October 1, 2000 and \$4,200,000,000 shall be available on October 1, 2001, **\$15,506,746,000** shall be for assistance under the United States Housing Act of 1937 ("the Act" herein) (42 U.S.C. 1437): *Provided further*, That the budget authority (but not the outlays) for \$4,200,000,000 provided under this heading in fiscal year 2001, to be available as an advance appropriation in fiscal year 2002, shall be considered direct spending in fiscal year 2002 for purposes of the Balanced Budget and Emergency Deficit Control Act of 1990, as amended, and section 2(a) of Public Law 106-554: *Provided further*, That the foregoing amounts shall be for use in connection with expiring or terminating section 8 subsidy contracts, for amendments to section 8 subsidy contracts, for enhanced vouchers (including amendments and renewals) under any provision of law authorizing such assistance under section 8(t) of the United States Housing Act of 1937 (47 U.S.C. 1437f(t)), contract administrators, and contracts entered into pursuant to section 441 of the [Stewart B.] McKinney-Vento Homeless Assistance Act: *Provided further*, That amounts available under the first proviso under this heading shall be available for section 8 rental assistance under the Act: (1) for the relocation and replacement of housing units that are demolished or disposed of pursuant to [section 24 of the United States Housing Act of 1937 or to other authority for the revitalization of severely distressed public housing, as set forth in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies for fiscal years 1993, 1994, 1995, and 1997, and in] the Omnibus Consolidated Rescissions and Appropriations Act of 1996; (2) for the conversion of section 23 projects to assistance under section 8; (3) for funds to carry out the family unification program; (4) for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency; (5) for tenant protection assistance, including replacement and relocation assistance; and (6) for the 1-year renewal of section 8 contracts for units in a project that is subject to an approved plan of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: *Provided further*, That of the total amount provided under this heading, **[\$11,000,000]** shall be transferred to the Working Capital Fund for the development and maintenance of] up to **\$13,400,000** shall be for information technology [systems]: *Provided further*, That of the total amount provided under this heading, \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of the Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: *Provided further*, That of the total amount provided under this heading, **[\$452,907,000]** **\$197,246,000** shall be made available for incremental vouchers under section 8 of the United States Housing Act of 1937 on a fair share basis and administered by public housing agencies: *Provided further*, That of the total amount provided under this heading, up to \$7,000,000 shall be made available for the completion of the Jobs Plus Demonstration: *Provided further*, That amounts available under this heading may be made available for administrative fees and other expenses to cover the cost of administering rental assistance programs under section 8 of the United States Housing Act of 1937: *Provided further*, That the fee otherwise authorized under section

8(q) of such Act shall be determined in accordance with section 8(q), as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998: *Provided further*, That \$1,833,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading "Annual Contributions for Assisted Housing" or any other heading for fiscal year 2000 and prior years: *Provided further*, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission: *Provided further*, That the Secretary shall have until September 30, 2001, to meet the rescission in the proviso preceding the immediately preceding proviso: *Provided further*, That any obligated balances of contract authority that have been terminated shall be canceled. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

| Identification code 86-0319-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Contract renewals | 8,145 | 14,935 | 15,748 |
| 00.02 Contract Administrator | 137 | 192 | 196 |
| 00.03 Relocation & other | 209 | 326 | 203 |
| 00.04 Preservation | 1 | 9 | |
| 00.05 Section 514 Technical Assistance | 4 | 10 | |
| 00.06 Non-Elderly Disabled | 64 | 56 | |
| 00.07 Welfare to Work | 281 | 1 | |
| 00.08 Regional Opportunity Counseling | | 10 | |
| 00.09 Section 8 Amendment | 334 | 356 | |
| 00.10 Preservation Prepayments | 8 | | |
| 00.11 Incremental vouchers | 353 | 452 | 197 |
| 00.12 Other | 57 | 433 | |
| 00.13 Job Plus | | 7 | |
| 00.14 Working Capital Fund | | 11 | 13 |
| 00.15 Section 8 Counseling | | 12 | |
| 00.16 Relocation/Replacement/Demolition | | 2 | |
| 10.00 Total new obligations (object class 41.0) | 9,593 | 16,812 | 16,357 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3,185 | 2,948 | 643 |
| 22.00 New budget authority (gross) | 4,852 | 12,082 | 19,917 |
| 22.10 Resources available from recoveries of prior year obligations | 3,810 | 2,427 | |
| 22.21 Unobligated balance transferred to other accounts | | -2 | |
| 22.22 Unobligated balance transferred from other accounts | 725 | | |
| 23.90 Total budgetary resources available for obligation | 12,572 | 17,455 | 20,560 |
| 23.95 Total new obligations | -9,593 | -16,812 | -16,357 |
| 23.98 Unobligated balance expiring or withdrawn | -31 | | -3 |
| 24.40 Unobligated balance carried forward, end of year | 2,948 | 643 | 4,200 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 7,177 | 9,741 | 15,717 |
| 40.36 Unobligated balance rescinded | -2,253 | -1,833 | |
| 40.76 Reduction pursuant to P.L. 106-113 | -72 | | |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -17 | |
| 43.00 Appropriation (total discretionary) | 4,852 | 7,891 | 15,717 |
| 55.00 Advance appropriation | | 4,200 | |
| 55.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -9 | |
| 55.90 Advance appropriation (total discretionary) | | 4,191 | |
| Mandatory: | | | |
| 60.00 Appropriation | | 3,000 | 3,000 |
| 60.49 Portion applied to liquidate contract authority | | -3,000 | -3,000 |
| 65.00 Advance appropriation | | | 4,200 |
| 70.00 Total new budget authority (gross) | 4,852 | 12,082 | 19,917 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 12,174 | 46,154 | 43,884 |
| 72.99 Obligated balance, start of year | 12,174 | 46,154 | 43,884 |
| 73.10 Total new obligations | 9,593 | 16,812 | 16,357 |
| 73.20 Total outlays (gross) | -15,972 | -16,655 | -17,676 |
| 73.32 Obligated balance transferred from other accounts | 44,169 | | |
| 73.45 Recoveries of prior year obligations | -3,810 | -2,427 | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 46,154 | 43,884 | 42,565 |

| | | | | |
|--|--|--------|--------|--------|
| 74.99 | Obligated balance, end of year | 46,154 | 43,884 | 42,565 |
| 75.01 | Obligated balance, start of year: Contract authority | | 31,583 | 28,583 |
| 75.02 | Obligated balance, end of year: Contract authority | 31,583 | 28,583 | 25,583 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 718 | 791 | 1,197 |
| 86.93 | Outlays from discretionary balances | 15,254 | 15,864 | 16,479 |
| 87.00 | Total outlays (gross) | 15,972 | 16,655 | 17,676 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 4,852 | 12,082 | 19,917 |
| 90.00 | Outlays | 15,972 | 16,655 | 17,676 |

The funds requested could support the following activities for 2002, as shown in the table below.

HOUSING CERTIFICATE FUND

(Budget Authority Request for FY 2002, \$ in Millions)

| | Units | Per Unit Cost | BA |
|---|--------|---------------|---------|
| FY 2002: | | | |
| Incremental Rental Assistance | 33,700 | 5,853 | 197 |
| Tenant Protections—Housing | 30,300 | NA | 203 |
| Contract Administrators | NA | NA | 196 |
| Information Technology/Working Capital Fund | | | 13 |
| Contract Renewals: | | | |
| PIH | | | 10,889 |
| CPD-Mod. Rehab. SRO | | | 10 |
| Housing | | NA | 4,209 |
| Subtotal, contract renewals | | | 15,108 |
| Administrative Fees-PIH [non-add] | | Approx. | [1,100] |
| Total, FY 2002 Housing Certificate Fund | | | 15,717 |

Contract Renewals. Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering certificates, vouchers, and moderate rehabilitation (renewed as certificates or vouchers), Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation, and contracts authorized under section 441 of the McKinney-Vento Homeless Assistance Act. It also includes \$46.4 million to renew funding for Family self-sufficiency coordinators.

Incremental Rental Assistance. For 2002, the Department is requesting approximately 34,000 incremental vouchers and \$197 million in budget authority.

Status of Contract Authority (in millions of dollars)

| Identification code 86-0319-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 0100 Balance, start of year | | 31,583 | 28,583 |
| 0340 Unobligated balance transferred | 31,583 | | |
| 0400 Appropriation to liquidate contract authority | | -3,000 | -3,000 |
| 0700 Balance, end of year | 31,583 | 28,583 | 25,583 |

Public and Indian Housing

Tenant Protection Vouchers. The Housing Certificate fund supports families living in public and assisted housing units affected by changes in the status of the units. Income-eligible families who are affected by the demolition, disposition, revitalization or other capital improvement through no fault of their own, receive relocation/replacement vouchers through the Housing Certificate Fund.

Housing

Tenant Protection Set-Asides. The Housing Certificate Fund also serves a role in supporting families in FHA-insured, privately owned assisted housing projects affected by changes in project status. It is intended that income-eligible families who, through no fault of their own, are affected by HUD's management of the multifamily inventory be aided through the Housing Certificate Fund.

Verifying the right person gets the right benefit.—In 2002, HUD will continue to verify tenant reported income against

other Federal income and other wage data, as authorized under existing statutes. This will help ensure that housing assistance is only provided to the extent entitled. It will provide greater assurance that tenants pay the proper amount of rent as provided under law.

The verification program will reinforce incentives for voluntary reporting of income and the corresponding determination of the rent payment. Actions will include interest charges on under-payment of rent, additional financial penalties for very large amounts of under-payments, and routine notification to credit bureaus when amounts remain unpaid. HUD will amend its administrative procedures to standardized interim reporting policies for when a tenant must report increases and decreases in income. HUD will also streamline its procedures to easily reconcile these mismatches to actual income. When new verification procedures are fully implemented, HUD will reduce the existing administrative burden of paper verification of employment with employers to a sampling basis.

Tenants assessed back rent will be asked to repay the amount over a reasonable period of time in order to ease the burden of reimbursement. In subsequent years, HUD envisions a system of reconciliation where tenant reporting would be routinely reconciled with actual income. Any significant overpayment or underpayment of rent would be adjusted in the tenant's future rental payment over the following year.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-0316-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 11 | | |
| 22.21 Unobligated balance transferred to other accounts | -11 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 845 | | |
| 72.99 Obligated balance, start of year | 845 | | |
| 73.31 Obligated balance transferred to other accounts | -845 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

The Section 8 Reserve Preservation Account was authorized by P.L. 105-18. This account contained funds which were recaptured from project reserve accounts maintained by Housing Authorities nationwide.

All balances in this account were transferred to the Housing Certificate Fund in 2000.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Program and Financing (in millions of dollars)

| Identification code 86-0164-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 766 | | |
| 21.49 Unobligated balance carried forward, start of year: Contract authority | 17 | | |
| 21.99 Total unobligated balance carried forward, start of year | 783 | | |
| 22.00 New budget authority (gross) | -16 | | |
| 22.21 Unobligated balance transferred to other accounts | -766 | | |
| 23.90 Total budgetary resources available for obligation | 1 | | |

General and special funds—Continued

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-0164-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | -16 | | |
| 43.00 Appropriation (total discretionary) | -16 | | |
| Mandatory: | | | |
| 60.00 Appropriation | 3,000 | | |
| 60.49 Portion applied to liquidate contract authority | -3,000 | | |
| 70.00 Total new budget authority (gross) | -16 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 5,322 | | |
| 72.40 Unpaid obligations, start of year | 45,098 | | |
| 72.99 Obligated balance, start of year | 50,420 | | |
| 73.31 Obligated balance transferred to other accounts | -50,420 | | |
| 75.01 Obligated balance, start of year: Contract authority | 39,748 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -16 | | |
| 90.00 Outlays | | | |

Status of Contract Authority (in millions of dollars)

| Identification code 86-0164-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 0100 Balance, start of year | 39,765 | | |
| 0340 Unobligated balance transferred | -36,765 | | |
| 0400 Appropriation to liquidate contract authority | -3,000 | | |

The Annual Contributions for Assisted Housing account provided assistance for low-income housing and various other programs.

This account has not received an appropriation for several years. The 2000 Appropriations Act (P.L. 106-74) transferred the unexpended balances from this account to other accounts.

MOVING TO WORK

Program and Financing (in millions of dollars)

| Identification code 86-0331-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 JOBS PLUS Initiative | 5 | | |
| 10.00 Total new obligations (object class 41.0) | 5 | | |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 5 | | |
| 23.95 Total new obligations | -5 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 5 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | | 5 | |
| 72.99 Obligated balance, start of year | | 5 | |
| 73.10 Total new obligations | 5 | | |
| 73.20 Total outlays (gross) | | -3 | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 5 | | |
| 74.99 Obligated balance, end of year | 5 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | | 3 | |

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|--|
| 89.00 Budget authority | 5 | | |
| 90.00 Outlays | | 3 | |

The Moving-to-Work demonstration provides unprecedented autonomy and flexibility to a select group of high-performing public housing authorities (PHAs) in order to assess the potential impacts of Federal deregulation on resident households, housing developments, and local housing programs. Through waivers of requirements of the 1937 Housing Act, as amended, and related Federal regulations, participating PHAs can combine Federal funding allocated for public housing operating subsidy, capital subsidy, and Section 8 certificates and vouchers into a flexible housing assistance fund. By providing incentives to families that work, are seeking work, or are preparing for work, PHAs are also allowed to change administrative procedures and management policies so they can reallocate resources to better address local housing needs and priorities. No additional funding is being requested for this demonstration.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund [Program] to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), [\$3,000,000,000] \$2,293,400,000, to remain available until expended, of which up to [\$50,000,000] \$41,000,000 shall be for carrying out activities under section 9(h) of such Act, up to \$500,000 shall be for lease adjustments to section 23 projects [and \$43,000,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: *Provided*, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937: *Provided further*, That of the total amount, up to \$75,000,000 shall be available for the Secretary of Housing and Urban Development to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in fiscal year 2001]; up to \$54,700,000 shall be for information technology; and up to \$14,200,000 shall be for the provision of remediation services to Public Housing Agencies identified as "troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Housing Act of 1937. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

| Identification code 86-0304-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Capital Grants | 3,872 | 4,529 | 2,183 |
| 00.02 Technical Assistance | | | 55 |
| 00.03 Information Technology | | | 55 |
| 10.00 Total new obligations (object class 41.0) | 3,872 | 4,529 | 2,293 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2,464 | 1,536 | |
| 22.00 New budget authority (gross) | 2,884 | 2,993 | 2,293 |
| 22.10 Resources available from recoveries of prior year obligations | 268 | | |
| 22.22 Unobligated balance transferred from other accounts | 52 | | |
| 22.75 Balance of contract authority withdrawn | -260 | | |
| 23.90 Total budgetary resources available for obligation | 5,408 | 4,529 | 2,293 |
| 23.95 Total new obligations | -3,872 | -4,529 | -2,293 |
| 24.40 Unobligated balance carried forward, end of year | 1,536 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 2,900 | 3,000 | 2,293 |
| 40.36 Unobligated balance rescinded | -16 | | |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -7 | |

| | | | | |
|--|--|--------|--------|--------|
| 43.00 | Appropriation (total discretionary) | 2,884 | 2,993 | 2,293 |
| | Mandatory: | | | |
| 60.00 | Appropriation | | 600 | 589 |
| 60.49 | Portion applied to liquidate contract authority | | -600 | -589 |
| 70.00 | Total new budget authority (gross) | 2,884 | 2,993 | 2,293 |
| Change in unpaid obligations: | | | | |
| | Unpaid obligations, start of year: | | | |
| 72.40 | Unpaid obligations, start of year | 5,201 | 11,837 | 12,648 |
| 72.99 | Obligated balance, start of year | 5,201 | 11,837 | 12,648 |
| 73.10 | Total new obligations | 3,872 | 4,529 | 2,293 |
| 73.20 | Total outlays (gross) | -3,690 | -3,718 | -3,583 |
| 73.32 | Obligated balance transferred from other accounts | 6,722 | | |
| 73.45 | Recoveries of prior year obligations | -268 | | |
| | Unpaid obligations, end of year: | | | |
| 74.40 | Unpaid obligations, end of year | 11,837 | 12,648 | 11,358 |
| 74.99 | Obligated balance, end of year | 11,837 | 12,648 | 11,358 |
| 75.01 | Obligated balance, start of year: Contract authority | 30 | 4,952 | 4,352 |
| 75.02 | Obligated balance, end of year: Contract authority | 4,952 | 4,352 | 3,763 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 42 | 125 | 129 |
| 86.93 | Outlays from discretionary balances | 3,648 | 3,593 | 3,454 |
| 87.00 | Total outlays (gross) | 3,690 | 3,718 | 3,583 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 2,884 | 2,993 | 2,293 |
| 90.00 | Outlays | 3,690 | 3,718 | 3,583 |

The Public Housing Capital Fund, a comprehensive formula-driven program based on need, is designed to respond to the capital and management improvement requirements of public housing. The fund is a consolidation of the following programs: public housing modernization; public housing development; Major Reconstruction of Obsolete Public Housing Projects (MROP); and public housing amendments.

Of the \$2.3 billion requested for the Public Housing Capital Fund, \$2.2 billion will assist housing authorities in carrying out capital and management activities and is sufficient to cover the accrual of additional capital needs which has been estimated at \$2.1 billion annually. The \$700 million cut to the Public Housing Capital fund will not reduce the number of households helped or the quality of assistance provided. There are over \$6 billion in 2000 and prior year unspent Public Housing Capital balances available for this purpose. New regulatory tools and funding for demolition and replacement (HOPE VI) can be used to remove failing units from the public housing inventory. Such units represent a disproportionate share of the backlog. In addition, of the requested amount, up to \$41 million is set aside for technical assistance including inspection of public housing units and no more than \$55 million shall be available for information technology.

In addition, \$14.2 million will be used for program support and evaluation, such as contracts to determine local fair market rents, assessment of Section 8 housing conditions, and towards remediation efforts for Public Housing Agencies designated as "troubled."

Status of Contract Authority (in millions of dollars)

| | | | |
|--|-------------|-----------|-----------|
| Identification code 86-0304-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
| 0100 Balance, start of year | 30 | 4,952 | 4,352 |
| 0340 Unobligated balance transferred | 5,182 | | |
| 0400 Appropriation to liquidate contract authority | | -600 | -589 |
| 0600 Balance of contract authority withdrawn | -260 | | |
| 0700 Balance, end of year | 4,952 | 4,352 | 3,763 |

PUBLIC HOUSING OPERATING FUND

(INCLUDING TRANSFERS OF FUNDS)

For payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), **[\$3,242,000,000.] \$3,384,868,000** to remain available until expended, of which \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home: Provided, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| | | | |
|---|------------------------------------|-----------|-----------|
| Identification code 86-0163-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
| Obligations by program activity: | | | |
| 00.01 Operating Subsidy | 3,103 | 3,290 | 3,375 |
| 00.02 Operation Safe Home | | | 10 |
| 10.00 Total new obligations (object class 41.0) | 3,103 | 3,290 | 3,385 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 12 | 55 | |
| 22.00 New budget authority (gross) | 3,138 | 3,235 | 3,385 |
| 22.10 Resources available from recoveries of prior year obligations | 8 | | |
| 23.90 Total budgetary resources available for obligation | 3,158 | 3,290 | 3,385 |
| 23.95 Total new obligations | -3,103 | -3,290 | -3,385 |
| 24.40 Unobligated balance carried forward, end of year | 55 | | |
| New budget authority (gross), detail: | | | |
| | Discretionary: | | |
| 40.00 Appropriation | 3,138 | 3,242 | 3,385 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -7 | |
| 43.00 Appropriation (total discretionary) | 3,138 | 3,235 | 3,385 |
| Change in unpaid obligations: | | | |
| | Unpaid obligations, start of year: | | |
| 72.40 Unpaid obligations, start of year | 1,412 | 1,671 | 1,744 |
| 72.99 Obligated balance, start of year | 1,412 | 1,671 | 1,744 |
| 73.10 Total new obligations | 3,103 | 3,290 | 3,385 |
| 73.20 Total outlays (gross) | -2,836 | -3,217 | -3,336 |
| 73.45 Recoveries of prior year obligations | -8 | | |
| | Unpaid obligations, end of year: | | |
| 74.40 Unpaid obligations, end of year | 1,671 | 1,744 | 1,793 |
| 74.99 Obligated balance, end of year | 1,671 | 1,744 | 1,793 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1,437 | 1,553 | 1,625 |
| 86.93 Outlays from discretionary balances | 1,399 | 1,664 | 1,711 |
| 87.00 Total outlays (gross) | 2,836 | 3,217 | 3,336 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3,138 | 3,235 | 3,385 |
| 90.00 Outlays | 2,836 | 3,217 | 3,336 |

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9(e) of the United States Housing Act of 1937, as amended. The annual subsidy requirements shown reflect efforts to date to develop a new formula for the allocation of operating subsidies using regulatory negotiations as required by the Quality Housing and Work Responsibility Act of 1998. It is anticipated that sufficient funds will be available to provide 100 percent of subsidy requirements in 2002.

The following tables display the sources of housing authorities' expected revenue and expenditures by category for 2002. The distribution is based on historical data reported by housing authorities to HUD on the Statement of Operating Receipts and Expenditures.

General and special funds—Continued**PUBLIC HOUSING OPERATING FUND—Continued**
(INCLUDING TRANSFERS OF FUNDS)—Continued**Table 1. Sources of Housing Authorities' Operating Revenue (in millions of dollars)**

| Category | Annual income | Percent of total |
|--------------------------------|---------------|------------------|
| Operating Subsidies | \$3,385 | 53% |
| Dwelling Rental | \$2,572 | 40% |
| Investment | \$125 | 2% |
| Other Income | \$318 | 5% |
| Total, Operating Revenue | 6,400 | 100% |

Operating Subsidies.—Represent HUD's contributions to a housing authority's operating budget. Under the current formula-based approach, HUD sets a formula-determined allowable expense level (AEL) for each PHA and separately computes utility and audit costs. The PHA's dwelling rental income is also projected and the subsidy is the difference between the projected AEL, utility, and audit expenses and projected dwelling rental income.

Dwelling Rental.—Income derived from tenants' rents.

Investment Income.—Income from interest earned on general fund investments.

Other Income.—Includes income from other sources such as renting rooftop space for signs or broadcasting and from operating services for tenants, such as laundromats or day care centers.

Table 2. Housing Authorities' Operating Expenditures (in millions of dollars)

| Category | Annual expenditures | Percent of total |
|----------------------------------|---------------------|------------------|
| Utilities | \$1,344 | 21% |
| Administration | 1,280 | 20% |
| General Operating Expenses | 1,088 | 17% |
| Maintenance | 1,984 | 31% |
| Tenant Services | 64 | 1% |
| Protective Services | 192 | 3% |
| Capital Expenditures | 128 | 2% |
| Operating Reserve | 320 | 5% |
| Total, Operating Expenses | 6,400 | 100% |

Utilities.—Includes water, sewer, electricity, gas, fuel, and related labor expenses.

Administration.—Includes administrative salaries, legal expenses, staff training, travel, accounting fees, auditing fees, sundry, and outside management costs.

General Operating Expenses.—Includes insurance, payments made to local governments in lieu of taxes, terminal leave payments, employees benefit contributions, collection losses, interest on administrative and sundry notes, and other general expenses.

Ordinary Maintenance and Operations.—Consists of expenses for labor, materials, contracts and garbage fees associated with the day-to-day operation of the public housing authority.

Tenant Services.—Cover salaries, recreation, publication, contract costs, training, and other expenses.

Protective Services.—Includes expenses for labor, materials, and contract costs.

Capital Expenditures.—Includes extraordinary maintenance, casualty losses, and property betterments (e.g. roofs and furnaces).

Operating reserves.—Provides working capital funds and is a reserve for emergencies.

public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, \$310,000,000, to remain available until expended: *Provided*, That of the total amount provided under this heading, up to \$3,000,000 shall be solely for technical assistance, technical assistance grants, training, and program assessment for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including up to \$150,000 for the cost of necessary travel for participants in such training) for oversight, training and improved management of this program, \$2,000,000 shall be available to the Boys and Girls Clubs of America for the operating and start-up costs of clubs located in or near, and primarily serving residents of, public housing and housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996, and \$10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development: *Provided further*, That of the amount under this heading, \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home: *Provided further*, That of the amount under this heading, \$20,000,000 shall be available for the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug-related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: *Provided further*, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.】 (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0197-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 383 | 402 | ..... |
| 00.02 Federally Assisted Housing | 17 | 35 | ..... |
| 00.03 Operation Safe Home | 22 | 30 | ..... |
| 00.04 New Approach Anti-Drug Program | 18 | 51 | ..... |
| 10.00 Total new obligations (object class 41.0) | 440 | 518 | ..... |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 322 | 209 | ..... |
| 21.99 Total unobligated balance carried forward, start of year | 322 | 209 | ..... |
| 22.00 New budget authority (gross) | 310 | 309 | ..... |
| 22.10 Resources available from recoveries of prior year obligations | 17 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 649 | 518 | ..... |
| 23.95 Total new obligations | -440 | -518 | ..... |
| 24.40 Unobligated balance carried forward, end of year | 209 | ..... | ..... |
| 24.99 Total unobligated balance carried forward, end of year | 209 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 310 | 310 | ..... |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) ..... | ..... | -1 | ..... |
| 43.00 Appropriation (total discretionary) | 310 | 309 | ..... |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 316 | 451 | 653 |
| 72.99 Obligated balance, start of year | 316 | 451 | 653 |
| 73.10 Total new obligations | 440 | 518 | ..... |

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING**[(INCLUDING TRANSFERS OF FUNDS)]**

【For grants to public housing agencies and Indian tribes and their tribally designated housing entities for use in eliminating crime in

| | | | | |
|--|--|------|------|------|
| 73.20 | Total outlays (gross) | -288 | -317 | -313 |
| 73.45 | Recoveries of prior year obligations | -17 | | |
| | Unpaid obligations, end of year: | | | |
| 74.40 | Unpaid obligations, end of year | 451 | 653 | 340 |
| 74.99 | Obligated balance, end of year | 451 | 653 | 340 |
| Outlays (gross), detail: | | | | |
| 86.93 | Outlays from discretionary balances | 288 | 317 | 313 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 310 | 309 | |
| 90.00 | Outlays | 288 | 317 | 313 |

The Public Housing Drug Elimination Grants program was authorized in 1988 and provided funds to Public Housing Authorities (PHAs) and Tribally Designated Housing Entities (TDHEs) for their anti-drug, and anti-crime efforts. Eligible activities included reimbursing local law enforcement for additional services, security contracts, investigators, and training residents for volunteer resident programs.

The Budget terminates the Public Housing Drug Elimination program because the same types of activities (e.g., security patrols and better lighting) are eligible under the Public Housing Operating and Capital programs. The program was found to have limited impact; current regulatory tools, such as eviction, are effective in reducing drug-related crime in public housing; and finally, fighting crime and drugs is not directly related to HUD's core mission—it is the mission of federal law enforcement and other agencies whose programs help combat illegal drugs and crime in public housing communities.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, **[\$575,000,000]** *\$573,735,000* to remain available until expended, of which the Secretary may use up to **[\$10,000,000]** *\$5,000,000* for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the department and of public housing agencies and to residents: *Provided*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0218-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity | 595 | 1,234 | 569 |
| 00.02 Technical Assistance | | | 5 |
| 10.00 Total new obligations (object class 41.0) | 595 | 1,234 | 574 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 680 | 660 | |
| 22.00 New budget authority (gross) | 575 | 574 | 574 |
| 23.90 Total budgetary resources available for obligation | 1,255 | 1,234 | 574 |
| 23.95 Total new obligations | -595 | -1,234 | -574 |
| 24.40 Unobligated balance carried forward, end of year | 660 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 575 | 575 | 574 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -1 | |
| 43.00 Appropriation (total discretionary) | 575 | 574 | 574 |

| | | | |
|---|-------|-------|-------|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 2,198 | 2,413 | 3,188 |
| 72.99 Obligated balance, start of year | 2,198 | 2,413 | 3,188 |
| 73.10 Total new obligations | 595 | 1,234 | 574 |
| 73.20 Total outlays (gross) | -379 | -460 | -552 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 2,413 | 3,188 | 3,210 |
| 74.99 Obligated balance, end of year | 2,413 | 3,188 | 3,210 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 379 | 460 | 552 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 575 | 574 | 574 |
| 90.00 Outlays | 379 | 460 | 552 |

This program utilizes Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income renters. The funds will be used for project demolition, hard replacement units, as well as tenant-based rental assistance.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (Public Law 104-330), **[\$650,000,000]** *\$648,570,000*, to remain available until expended, of which **[\$6,000,000]** *\$5,000,000* shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel ; *and of which up to \$3,000,000 shall be for information technology: Provided*, That of the amount provided under this heading, **[\$6,000,000]** *\$5,987,000* shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: *Provided further*, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed **[\$54,600,000]** *\$52,726,000*: *Provided further*, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees[: *Provided further*, That of the amount provided in this heading, \$2,000,000 shall be transferred to the Working Capital Fund for development and maintaining information technology systems]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0313-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Indian Housing Block Grants | 617 | 790 | 635 |
| 00.02 Title VI Loan Guarantee Subsidy | | 23 | 6 |
| 00.03 Technical Assistance | 8 | 9 | 5 |
| 00.04 Working Capital Fund | | 2 | |
| 00.05 Information Technology | | | 3 |
| 10.00 Total new obligations (object class 41.0) | 625 | 824 | 649 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 175 | 175 | |
| 22.00 New budget authority (gross) | 620 | 649 | 649 |
| 22.10 Resources available from recoveries of prior year obligations | 5 | | |
| 23.90 Total budgetary resources available for obligation | 800 | 824 | 649 |

General and special funds—Continued**NATIVE AMERICAN HOUSING BLOCK GRANTS—Continued**
(INCLUDING TRANSFER OF FUNDS)—Continued**Program and Financing** (in millions of dollars)—Continued

| Identification code 86-0313-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 23.95 Total new obligations | -625 | -824 | -649 |
| 24.40 Unobligated balance carried forward, end of year | 175 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 620 | 650 | 649 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -1 | |
| 43.00 Appropriation (total discretionary) | 620 | 649 | 649 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 1,105 | 1,082 | 1,200 |
| 72.99 Obligated balance, start of year | 1,105 | 1,082 | 1,200 |
| 73.10 Total new obligations | 625 | 824 | 649 |
| 73.20 Total outlays (gross) | -643 | -707 | -669 |
| 73.45 Recoveries of prior year obligations | -5 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 1,082 | 1,200 | 1,180 |
| 74.99 Obligated balance, end of year | 1,082 | 1,200 | 1,180 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 79 | 204 | 205 |
| 86.93 Outlays from discretionary balances | 564 | 503 | 464 |
| 87.00 Total outlays (gross) | 643 | 707 | 669 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 620 | 649 | 649 |
| 90.00 Outlays | 643 | 707 | 669 |
| Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars) | | | |
| Identification code 86-0313-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 2 | 55 | 53 |
| 2159 Total loan guarantee levels | 2 | 55 | 53 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | 11.07 | 11.07 | 11.07 |
| 2329 Weighted average subsidy rate | 11.07 | 11.07 | 11.07 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | | 6 | 6 |
| 2339 Total subsidy budget authority | | 6 | 6 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | | 1 | 3 |
| 2349 Total subsidy outlays | | 1 | 3 |

Title I of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (P.L. 104-330) authorized the Native American Housing Block Grant program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. Indian tribes use performance measures and benchmarks that are consistent with the national goals of the program but can base these measures on the needs and priorities they establish in their own Indian housing plan.

The Native American Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$53 million is proposed for this loan guarantee program for 2002. The subsidy rate for this program is set at 11.07 percent with a federal guarantee of 80 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the

program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1998 and beyond (including modifications of guarantees that resulted from obligations in any given year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Public enterprise funds:**LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES****Program and Financing** (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Reimbursable program: Capital investment loans to PHAs | 9 | 40 | 40 |
| 10.00 Total new obligations (object class 33.0) | 9 | 40 | 40 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 20 | 20 | |
| 22.00 New budget authority (gross) | 104 | 110 | 124 |
| 22.60 Portion applied to repay debt | -95 | -90 | -71 |
| 23.90 Total budgetary resources available for obligation | 29 | 40 | 53 |
| 23.95 Total new obligations | -9 | -40 | -40 |
| 24.40 Unobligated balance carried forward, end of year | 20 | | 13 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.15 Authority to borrow (indefinite) | 25 | 40 | 40 |
| 69.00 Offsetting collections (cash) | 79 | 70 | 84 |
| 70.00 Total new budget authority (gross) | 104 | 110 | 124 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 866 | 772 | 702 |
| 72.99 Obligated balance, start of year | 866 | 772 | 702 |
| 73.10 Total new obligations | 9 | 40 | 40 |
| 73.20 Total outlays (gross) | -103 | -110 | -124 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 772 | 702 | 618 |
| 74.99 Obligated balance, end of year | 772 | 702 | 618 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 24 | 110 | 124 |
| 86.98 Outlays from mandatory balances | 79 | | |
| 87.00 Total outlays (gross) | 103 | 110 | 124 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -71 | -70 | -84 |
| 88.40 Non-Federal sources | -8 | | |
| 88.90 Total, offsetting collections (cash) | -79 | -70 | -84 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 25 | 40 | 40 |
| 90.00 Outlays | 24 | 40 | 40 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1,421 | 1,350 | 1,279 |
| 1251 Repayments: Repayments and prepayments | -71 | -71 | -71 |
| 1290 Outstanding, end of year | 1,350 | 1,279 | 1,208 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 3,026 | 2,742 | 2,458 |
| 2251 Repayments and prepayments | -284 | -284 | -284 |
| 2290 Outstanding, end of year | 2,742 | 2,458 | 2,174 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 2,742 | 2,458 | 2,174 |

The Low-Rent Public Housing Loan Fund provides direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization activities are completed. Under the provisions of this legislation, \$25 million of borrowings from the Treasury were forgiven in 2000, an estimated \$40 million will be borrowed from the Treasury and forgiven in 2001, and an estimated \$40 million will be borrowed from the Treasury and forgiven in 2002.

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Public Housing Capital Fund appropriations.

Operating results.—The actual and estimated net operating income for 1999, 2000, 2001 and 2002 follows:

Statement of Operations (in millions of dollars)

| Identification code 86-4098-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 100 | 102 | 100 | 100 |
| 0102 Expense | -91 | -99 | -99 | -99 |
| 0105 Net income or loss (-) | 9 | 3 | 1 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 86-4098-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 886 | 792 | 792 | 792 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 1,447 | 1,359 | 1,359 | 1,359 |
| 1602 Interest receivable | 89 | 85 | 85 | 85 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -12 | -2 | -2 | -2 |
| 1604 Direct loans and interest receivable, net | 1,524 | 1,442 | 1,442 | 1,442 |
| 1699 Value of assets related to direct loans | 1,524 | 1,442 | 1,442 | 1,442 |
| 1999 Total assets | 2,410 | 2,234 | 2,234 | 2,234 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 173 | 164 | 164 | 164 |
| 2104 Resources payable to Treasury | 1,420 | 1,348 | 1,348 | 1,348 |
| 2207 Non-Federal liabilities: Other | -15 | 2 | 2 | 2 |
| 2999 Total liabilities | 1,578 | 1,514 | 1,514 | 1,514 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 821 | 705 | 705 | 705 |
| 3300 Cumulative results of operations | 11 | 15 | 15 | 15 |
| 3999 Total net position | 832 | 720 | 720 | 720 |
| 4999 Total liabilities and net position | 2,410 | 2,234 | 2,234 | 2,234 |

Credit accounts:**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT****(INCLUDING TRANSFER OF FUNDS)**

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), **[\$6,000,000] \$5,987,000**, to remain available until expended: *Provided*, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed **[\$71,956,000] \$234,283,000**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$200,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 86-0223-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 0101 Indian housing loan guarantee fund, downward reestimates of subsidies | | 6 | |

Program and Financing (in millions of dollars)

| Identification code 86-0223-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Guaranteed loan subsidy | 2 | 6 | 6 |
| 10.00 Total new obligations (object class 41.0) | 2 | 6 | 6 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 13 | 17 | 17 |
| 22.00 New budget authority (gross) | 6 | 6 | 6 |
| 23.90 Total budgetary resources available for obligation | 19 | 23 | 23 |
| 23.95 Total new obligations | -2 | -6 | -6 |
| 24.40 Unobligated balance carried forward, end of year | 17 | 17 | 17 |

New budget authority (gross), detail:

| | | | |
|---------------------------|---|---|---|
| Discretionary: | | | |
| 40.00 Appropriation | 6 | 6 | 6 |

Change in unpaid obligations:

| | | | |
|---|----|----|----|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 3 | 3 | 6 |
| 72.99 Obligated balance, start of year | 3 | 3 | 6 |
| 73.10 Total new obligations | 2 | 6 | 6 |
| 73.20 Total outlays (gross) | -2 | -3 | -7 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 3 | 6 | 5 |
| 74.99 Obligated balance, end of year | 3 | 6 | 5 |

Outlays (gross), detail:

| | | | |
|--|---|---|---|
| 86.90 Outlays from new discretionary authority | 1 | 1 | 1 |
| 86.93 Outlays from discretionary balances | 1 | 2 | 6 |
| 87.00 Total outlays (gross) | 2 | 3 | 7 |

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|---|
| 89.00 Budget authority | 6 | 6 | 6 |
| 90.00 Outlays | 2 | 3 | 7 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 86-0223-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 15 | 72 | 234 |
| 2159 Total loan guarantee levels | 15 | 72 | 234 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | 8.13 | 8.13 | 2.47 |

Credit accounts—Continued**INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)—Continued

| Identification code 86-0223-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 2329 Weighted average subsidy rate | 8.13 | 8.13 | 2.47 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | 1 | 6 | 6 |
| 2330 Reestimation Subsidy budget authority ..... | ..... | -6 | ..... |
| 2339 Total subsidy budget authority | 1 | ..... | 6 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | 2 | 2 | 3 |
| 2340 Reestimate Subsidy Outlays ..... | ..... | -6 | ..... |
| 2349 Total subsidy outlays | 2 | -4 | 3 |

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing for Indian families, Indian tribes, and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

| Identification code 86-4104-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 08.02 Re-estimate ..... | ..... | 5 | ..... |
| 08.04 Interest on re-estimate ..... | ..... | 1 | ..... |
| 10.00 Total new obligations ..... | ..... | 6 | ..... |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 6 | 8 | 4 |
| 22.00 New financing authority (gross) | 2 | 2 | 3 |
| 23.90 Total budgetary resources available for obligation | 8 | 10 | 7 |
| 23.95 Total new obligations ..... | ..... | -6 | ..... |
| 24.40 Unobligated balance carried forward, end of year | 8 | 4 | 7 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Federal sources | 2 | 2 | 3 |
| Change in unpaid obligations: | | | |
| 73.10 Total new obligations ..... | ..... | 6 | ..... |
| 73.20 Total financing disbursements (gross) ..... | ..... | -6 | ..... |
| 87.00 Total financing disbursements (gross) ..... | ..... | 6 | ..... |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources: Payments from program account | -2 | -2 | -3 |
| 88.90 Total, offsetting collections (cash) | -2 | -2 | -3 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority ..... | ..... | ..... | ..... |
| 90.00 Financing disbursements | -2 | 4 | -3 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4104-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 135 | 72 | 234 |
| 2112 Uncommitted loan guarantee limitation | -120 | -49 | ..... |
| 2150 Total guaranteed loan commitments | 15 | 23 | 234 |
| 2199 Guaranteed amount of guaranteed loan commitments | 15 | 23 | 234 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 47 | 60 | 75 |
| 2231 Disbursements of new guaranteed loans | 18 | 18 | 18 |
| 2251 Repayments and prepayments | -5 | -3 | -3 |
| 2263 Adjustments: Terminations for default that result in claim payments ..... | ..... | ..... | -1 |
| 2290 Outstanding, end of year | 60 | 75 | 89 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 60 | 75 | 89 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

| Identification code 86-4104-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 6 | 8 | 8 | 6 |
| 1999 Total assets | 6 | 8 | 8 | 6 |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 6 | 8 | 8 | 6 |
| 2999 Total liabilities | 6 | 8 | 8 | 6 |
| 4999 Total liabilities and net position | 6 | 8 | 8 | 6 |

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

| Identification code 86-4244-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | | 1 |
| 22.00 New financing authority (gross) | | 1 | 3 |
| 23.90 Total budgetary resources available for obligation | | 1 | 4 |
| 24.40 Unobligated balance carried forward, end of year | | 1 | 4 |
| New financing authority (gross), detail: | | | |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | | 1 | 3 |
| 68.90 Spending authority from offsetting collections (total discretionary) | | 1 | 3 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | | -1 | -3 |
| 88.90 Total, offsetting collections (cash) | | -1 | -3 |

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------------|----|--|----|
| 89.00 | Financing authority | | | |
| 90.00 | Financing disbursements | -1 | | -3 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4244-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 55 | 55 | 53 |
| 2112 Uncommitted loan guarantee limitation | -53 | | |
| 2150 Total guaranteed loan commitments | 2 | 55 | 53 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | | 1 | 15 |
| 2231 Disbursements of new guaranteed loans | 1 | 15 | 41 |
| 2251 Repayments and prepayments | | -1 | -3 |
| 2290 Outstanding, end of year | 1 | 15 | 53 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 1 | 15 | 53 |

Balance Sheet (in millions of dollars)

| Identification code 86-4244-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | | | 1 | 3 |
| 1999 Total assets | | | 1 | 3 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | | | 1 | 3 |
| 3999 Total net position | | | 1 | 3 |
| 4999 Total liabilities and net position | | | 1 | 3 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

COMMUNITY PLANNING AND DEVELOPMENT**Federal Funds****General and special funds:****HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS**

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), **[\$258,000,000] \$277,432,000**, to remain available until expended: *Provided*, That the Secretary shall renew all expiring contracts that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: *Provided further*, That the Secretary may use up to **[1 percent] \$2,000,000** of the funds under this heading for training, oversight, and technical assistance activities. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0308-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--------------------------------------|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Housing for AIDS victims | 220 | 326 | 277 |

| | | | | |
|-------|---|-----|-----|-----|
| 10.00 | Total new obligations (object class 41.0) | 220 | 326 | 277 |
|-------|---|-----|-----|-----|

Budgetary resources available for obligation:

| | | | | |
|-------|---|------|------|------|
| 21.40 | Unobligated balance carried forward, start of year | 57 | 69 | |
| 22.00 | New budget authority (gross) | 232 | 257 | 277 |
| 22.10 | Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 | Total budgetary resources available for obligation | 290 | 326 | 277 |
| 23.95 | Total new obligations | -220 | -326 | -277 |
| 24.40 | Unobligated balance carried forward, end of year | 69 | | |

New budget authority (gross), detail:

| | | | | |
|----------------|---|-----|-----|-----|
| Discretionary: | | | | |
| 40.00 | Appropriation | 232 | 258 | 277 |
| 40.77 | Reduction pursuant to P.L. 106-554 (0.22 percent) | | -1 | |
| 43.00 | Appropriation (total discretionary) | 232 | 257 | 277 |

Change in unpaid obligations:

| | | | | |
|------------------------------------|--|------|------|------|
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 436 | 441 | 551 |
| 72.99 | Obligated balance, start of year | 436 | 441 | 551 |
| 73.10 | Total new obligations | 220 | 326 | 277 |
| 73.20 | Total outlays (gross) | -215 | -216 | -219 |
| 73.45 | Recoveries of prior year obligations | -1 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 441 | 551 | 609 |
| 74.99 | Obligated balance, end of year | 441 | 551 | 609 |

Outlays (gross), detail:

| | | | | |
|-------|--|-----|-----|-----|
| 86.90 | Outlays from new discretionary authority | 1 | 5 | 6 |
| 86.93 | Outlays from discretionary balances | 214 | 211 | 213 |
| 87.00 | Total outlays (gross) | 215 | 216 | 219 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-----|-----|-----|
| 89.00 | Budget authority | 232 | 257 | 277 |
| 90.00 | Outlays | 215 | 216 | 219 |

The Housing Opportunities for Persons with AIDS program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

Up to \$2 million is used for technical assistance to grantees. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the incidence of HIV/AIDS in their jurisdictions. The final 10 percent is awarded competitively to States, local governments, and private non-profit entities for projects of national significance. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2002 will support approximately 53,100 housing units for persons with HIV/AIDS and their families.

COMMUNITY DEVELOPMENT [FUND] BLOCK GRANTS

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, **[\$5,057,550,000] \$4,701,993,000** to remain available until September 30, 2004: *Provided*, That of the amount provided, **[\$4,409,000,000] \$4,399,300,000** is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), to remain available until September 30, 2003: *Provided further*, That **[\$71,000,000] \$69,000,000** shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, **[\$3,000,000]** of which up to \$1,250,000 shall be to implement and support Native American Economic Development Access Center, \$2,993,000 shall be available as a grant to the Housing Assistance Council, **[\$2,600,000] \$2,200,000** shall be available as a grant to the National American Indian Housing Council, **\$2,993,000** shall be for support of Alaska Native and Native Hawaiian Serving Institutions, as defined under the Higher Education Act, as amended, and **\$2,993,000** shall be available to Tribal Colleges and Universities to build, expand, renovate, and equip their facilities **[\$10,000,000]** shall

General and special funds—Continued**COMMUNITY DEVELOPMENT [FUND] BLOCK GRANTS—Continued**

be available as a grant to the National Housing Development Corporation, for operating expenses not to exceed \$2,000,000 and for a program of affordable housing acquisition and rehabilitation], and [\$45,500,000] \$38,424,000 shall be for grants pursuant to section 107 of the Act [of which \$3,000,000 shall be made available to support Alaska Native serving institutions and native Hawaiian serving institutions, as defined under the Higher Education Act, as amended, and of which \$3,000,000 shall be made available to tribal colleges and universities to build, expand, renovate, and equip their facilities]: *Provided further*, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the department: *Provided further*, That up to [That \$15,000,000] \$18,000,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: *Provided further*, That [\$20,000,000] \$21,956,000 shall be for grants pursuant to the Self Help Housing Opportunity Program.

Of the amount made available under this heading, [\$28,450,000] \$29,387,000 shall be made available for capacity building, of which [\$25,000,000] \$24,945,000 shall be made available for "Capacity Building for Community Development and Affordable Housing", for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, of which not less than [\$5,000,000] \$4,989,000 of the funding shall be used in rural areas, including tribal areas, and of which [\$3,450,000] \$4,442,000 shall be made available for capacity building activities administered by Habitat for Humanity International.

Of the amount made available under this heading, the Secretary of Housing and Urban Development may use up to [\$55,000,000] \$54,879,000 for supportive services for public housing residents, as authorized by section 34 of the United States Housing Act of 1937, as amended, and for residents of housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) and for grants for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing and housing assisted under NAHASDA.

[Of the amount made available under this heading, \$44,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: *Provided*, that any unobligated balances of amounts set aside for neighborhood initiatives in fiscal years 1998, 1999, and 2000 may be utilized for any of the foregoing purposes: *Provided further*, That these grants shall be provided in accord with the terms and conditions specified in the statement of managers accompanying this conference report.]

Of the amount made available under this heading, \$80,000,000 is for grants to create or expand community technology centers in high poverty urban communities and to provide technical assistance to those centers.

*Of the amount made available under this heading, \$20,000,000 is for competitive grants to community-based, civic, and religiously affiliated organizations which are exempt from the Americans with Disabilities Act and which have limited resources: *Provided*, That these grants shall be to make facilities of these organizations accessible to the disabled.*

Of the amount made available under this heading, notwithstanding any other provision of law, [\$60,000,000] \$59,868,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: *Provided*, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: *Provided further*, That no more than ten percent of any grant award may be used for administrative costs: *Provided further*, That not less than [\$10,000,000] \$9,978,000 shall be avail-

able for grants to establish YouthBuild programs in underserved and rural areas: *Provided further*, That of the amount provided under this paragraph, [\$4,000,000] \$2,000,000 shall be set aside and made available for a grant to Youthbuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

[Of the amounts made available under this heading, \$2,000,000 shall be available to the Utah Housing Finance Agency for the temporary use of relocatable housing during the 2002 Winter Olympic Games provided such housing is targeted to the housing needs of low-income families after the Games.]

[Of the amount made available under this heading, \$292,000,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this conference report.]

[For the cost of guaranteed loans, \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: *Provided further*, That in addition, for administrative expenses to carry out the guaranteed loan program, \$1,000,000, which shall be transferred to and merged with the appropriation for "Salaries and expenses".] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

[For an additional amount for "Community development fund", \$66,128,000 to remain available until September 30, 2003.]

[The referenced statement of the managers in the seventh undesignated paragraph under this heading in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106-377) is deemed to be amended by striking "West Dallas neighborhoods" in reference to improvement efforts by the Pleasant Wood/Pleasant Grove Community Development Corporation, and inserting "the Pleasant Grove area" in lieu thereof.]

[The unobligated amount appropriated in the third paragraph under the heading "Community development block grants" in Chapter 8 of title II of the Emergency Supplemental Act, 2000 (Public Law 106-246) for a grant to the City of Hamlet, North Carolina for demolition and removal of buildings and equipment destroyed by fire shall remain available until September 30, 2002 for a grant for such purpose to the County of Richmond, North Carolina.]

[The seventh paragraph under this heading in title II of Public Law 106-377 is amended by striking "\$292,000,000" and inserting in lieu thereof "\$358,128,000": *Provided*, That such funds shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this conference report.] (*Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554.*)

Program and Financing (in millions of dollars)

| Identification code 86-0162-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Community development | 4,854 | 5,996 | 4,702 |
| 10.00 Total new obligations (object class 41.0) | 4,854 | 5,996 | 4,702 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 931 | 883 | ..... |
| 22.00 New budget authority (gross) | 4,809 | 5,113 | 4,702 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 5,743 | 5,996 | 4,702 |
| 23.95 Total new obligations | -4,854 | -5,996 | -4,702 |
| 23.98 Unobligated balance expiring or withdrawn | -5 | ..... | ..... |
| 24.40 Unobligated balance carried forward, end of year | 883 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 4,800 | 5,124 | 4,702 |

| | | | | |
|--|---|---------|---------|---------|
| 40.15 | Appropriation (emergency) | 28 | | |
| 40.76 | Reduction pursuant to P.L. 106-113 | - 19 | | |
| 40.77 | Reduction pursuant to P.L. 106-554 (0.22 percent) | - 11 | | |
| 43.00 | Appropriation (total discretionary) | 4,809 | 5,113 | 4,702 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 9,013 | 9,074 | 10,130 |
| 72.99 | Obligated balance, start of year | 9,013 | 9,074 | 10,130 |
| 73.10 | Total new obligations | 4,854 | 5,996 | 4,702 |
| 73.20 | Total outlays (gross) | - 4,955 | - 4,940 | - 5,036 |
| 73.31 | Obligated balance transferred to other accounts | - 99 | | |
| 73.32 | Obligated balance transferred from other accounts | 269 | | |
| 73.40 | Adjustments in expired accounts (net) | - 4 | | |
| 73.45 | Recoveries of prior year obligations | - 3 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 9,074 | 10,130 | 9,796 |
| 74.99 | Obligated balance, end of year | 9,074 | 10,130 | 9,796 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 100 | 102 | 94 |
| 86.93 | Outlays from discretionary balances | 4,855 | 4,838 | 4,940 |
| 87.00 | Total outlays (gross) | 4,955 | 4,940 | 5,036 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 4,809 | 5,113 | 4,702 |
| 90.00 | Outlays | 4,955 | 4,940 | 5,036 |

Summary of Budget Authority and Outlays

(in millions of dollars)

| Enacted/requested: | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Budget Authority | 4,809 | 5,113 | 4,702 |
| Outlays | 4,955 | 4,940 | 5,034 |
| Legislative proposal, not subject to PAYGO: | | | |
| Budget Authority | | | 100 |
| Outlays | | | 10 |
| Total: | | | |
| Budget Authority | 4,809 | 5,113 | 4,802 |
| Outlays | 4,955 | 4,940 | 5,044 |

Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government under the Community Development Block Grant (CDBG) program and States to fund local community development programs.

The 2002 Budget allocates \$69 million to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Since its inception, funds made available to Native American communities have supported a wide variety of community development activities, predominantly, but not exclusively, community facilities, infrastructure and buildings to help meet the basic needs of low and moderate income community members. Since the vast majority of eligible tribes and Alaska Native Villages have non-existent tax bases, this program has helped to finance those public facilities needed to maintain or establish community viability. While it has had a significant impact on many Native American communities throughout the Nation, basic community development needs throughout Indian Country remain substantial.

Seventy percent of CDBG formula funds are allocated to metropolitan cities and urban counties that receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the formula funds. The proposed level of funding for CDBG and the Section 108 Loan Guarantee Program will support an estimated 114,379 and 30,000 jobs, respectively. These funds will also help to rehabilitate 161,336 housing units.

Section 107 Grants include funding for Insular Areas, management information systems support, Historically Black Colleges and Universities, Hispanic serving Institutions, the

Community Development Work Study and Community Outreach Partnership Centers (COPC) programs.

The Budget provides \$80,000,000 for the new Community Technology Centers initiative which will enhance the existing Department of Education CTC program and expand the HUD Neighborhood Networks effort, by providing competitive grants to create or expand community technology centers in high poverty urban communities and provide technical assistance to those centers. This Community Technology Centers program will be administered by HUD. Eligible applicants will include State educational agencies, local educational agencies, institutions of higher education, for-profit businesses, public or private non-profit organizations, or a consortium of such entities that have the capacity to expand access to computers and related services in eligible communities.

The Budget provides \$20,000,000 for a new Improving Access Initiative that will provide grants to Americans with Disabilities Act-exempt community-based, civic, and religiously affiliated organizations with limited resources. These ADA-exempt organizations will be eligible to compete for grants to make their facilities accessible to the disabled.

As authorized by Section 4 of the HUD Demonstration Act of 1993, the National Community Development Initiative (NCDI) helps build capacity of community-based development corporations and housing development organizations, and assist such corporations and organizations to carry out community development and affordable housing activities. The 2002 Budget includes \$29 million for this program. In addition, \$3.4 million is set aside for Habitat for Humanity capacity building programs. Both programs will target their efforts to increasing minority homeownership.

The Youthbuild program provides resources to educate, train and supply stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school drop-outs to obtain the education and employment skills necessary to achieve self-sufficiency. The 2002 request for \$60 million will provide more than 3,774 young people with skills they need to obtain jobs. Funding of \$23 million is provided for the Self Help-Shop Program which is targeted at very low-income populations. In addition, \$3 million each is provided for the Housing Assistance and Native American Indian Housing Councils to meet unserved rural and Native American housing needs.

The 2002 Budget also includes \$3 million in competitive grants to Tribal Colleges and Universities (TCU) to provide resources to build, expand, renovate and equip facilities. In addition, \$3 million is provided to assist Alaska Native and Native Hawaiian Serving institutions. The Budget also provides \$55 million for the Resident Opportunities and Self-Sufficiency program to help meet housing and related service needs to improve lives and communities served by public housing.

COMMUNITY DEVELOPMENT [FUND] BLOCK GRANTS

(Legislative Proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 86-0162-2-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Improving Access Initiative | | | 20 |
| 00.02 Community Technology Centers | | | 80 |
| 10.00 Total new obligations | | | 100 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | 100 |

General and special funds—Continued

COMMUNITY DEVELOPMENT [FUND] BLOCK GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-0162-2-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 23.90 Total budgetary resources available for obligation | | | 100 |
| 23.95 Total new obligations | | | —100 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation: | | | |
| 40.00 Appropriation | | | 20 |
| 40.00 Appropriation | | | 80 |
| 43.00 Appropriation (total discretionary) | | | 100 |
| Change in unpaid obligations: | | | |
| 73.10 Total new obligations | | | 100 |
| 73.20 Total outlays (gross) | | | —10 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | | | 90 |
| 74.99 Obligated balance, end of year | | | 90 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | 10 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | 100 |
| 90.00 Outlays | | | 10 |

Object Classification (in millions of dollars)

| Identification code 86-0162-2-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Grants, subsidies, and contributions: | | | |
| 41.0 Grants, subsidies, and contributions | | | 20 |
| 41.0 Grants, subsidies, and contributions | | | 80 |
| 99.9 Total new obligations | | | 100 |

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

For grants in connection with a second round of empowerment zones and enterprise communities, [\$90,000,000] \$150,000,000, to remain available until expended: *Provided*, That \$75,000,000 shall be available for the Secretary of Housing and Urban Development, for "Urban Empowerment Zones", as authorized in the Taxpayer Relief Act of 1997, including [\$5,000,000] \$10,000,000 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone: *Provided further*, That \$15,000,000 shall be available to the Secretary of Agriculture for grants for designated empowerment zones in rural areas and for grants for designated rural enterprise communities. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

[For an additional amount for "Empowerment zones and enterprise communities", \$110,000,000, to remain available until expended: *Provided*, That \$185,000,000 shall be available for urban empowerment zones, as authorized by the Taxpayer Relief Act of 1997, including \$12,333,333 for each empowerment zone.] (Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of P.L. 106-554.)

Program and Financing (in millions of dollars)

| Identification code 86-0315-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Develop urban sites | 61 | 185 | 150 |
| 10.00 Total new obligations (object class 41.0) | 61 | 185 | 150 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 7 | | |
| 22.00 New budget authority (gross) | 55 | 185 | 150 |
| 23.90 Total budgetary resources available for obligation | 62 | 185 | 150 |

| | | | |
|--|-----|------|------|
| 23.95 Total new obligations | —61 | —185 | —150 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation | | | |
| 40.00 Appropriation | 55 | 185 | 150 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 39 | 93 | 229 |
| 72.99 Obligated balance, start of year | 39 | 93 | 229 |
| 73.10 Total new obligations | 61 | 185 | 150 |
| 73.20 Total outlays (gross) | —7 | —49 | —92 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 93 | 229 | 287 |
| 74.99 Obligated balance, end of year | 93 | 229 | 287 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 4 | 3 |
| 86.93 Outlays from discretionary balances | 7 | 45 | 89 |
| 87.00 Total outlays (gross) | 7 | 49 | 92 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 55 | 185 | 150 |
| 90.00 Outlays | 7 | 49 | 92 |

The goal of the Empowerment Zone (EZ) initiative is to revitalize city neighborhoods by attracting business development and providing employment opportunities to residents of empowerment zones. Grant funds will allow the 15 urban EZs that were authorized by the Taxpayer Relief Act of 1997, in accordance with their strategic plans, to create economic opportunity in America's distressed communities, with a special emphasis on stimulating job creation linked to welfare reform. Flexible grant funds will be used to integrate human capital needs with economic development initiatives. Empowerment Zone principals include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

The VA HUD Appropriations Act of 2001 (P.L. 106-377 and P.L. 106-554) provided \$185 million for Round II Urban Empowerment Zones. The 2002 Budget proposes \$150 million for Round II urban Empowerment Zones that will bring the total funding for Round II urban EZs through 2002 to \$435 million.

Funding will be available for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; leveraging private sector resources, repayment of debt financing by municipal bonds; financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

EZs are helping to stimulate billions of dollars in private investment, reviving inner city neighborhoods and supporting jobs, and helping families move from welfare to work.

The Community Renewal and Tax Relief Act of 2000 (P.L. 106-554) authorized the designation of a third round of 7 urban and 2 rural empowerment zones. The Community Renewal and Tax Relief Act of 2000 also authorized the creation of a Renewal Communities program to be administered by HUD that will include 40 communities to be designated by competition by December 31, 2001.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, \$25,000,000, to remain

available until expended: *Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

Program and Financing (in millions of dollars)

| Identification code 86-0314-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Cleanup and develop contaminated sites | 50 | 50 | 25 |
| 10.00 Total new obligations (object class 41.0) | 50 | 50 | 25 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 50 | 25 | |
| 22.00 New budget authority (gross) | 25 | 25 | 25 |
| 23.90 Total budgetary resources available for obligation | 75 | 50 | 25 |
| 23.95 Total new obligations | -50 | -50 | -25 |
| 24.40 Unobligated balance carried forward, end of year | 25 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 25 | 25 | 25 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | | 46 | 71 |
| 72.99 Obligated balance, start of year | | 46 | 71 |
| 73.10 Total new obligations | 50 | 50 | 25 |
| 73.20 Total outlays (gross) | -4 | -25 | -30 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 46 | 71 | 66 |
| 74.99 Obligated balance, end of year | 46 | 71 | 66 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 1 | 1 |
| 86.93 Outlays from discretionary balances | 4 | 24 | 29 |
| 87.00 Total outlays (gross) | 4 | 25 | 30 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 25 | 25 | 25 |
| 90.00 Outlays | 4 | 25 | 30 |

The Brownfields Redevelopment initiative provides competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. Eligible communities are invited to submit proposals to return contaminated sites to productive and employment-generating uses, with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.

Grants are made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies.

The Brownfields Redevelopment initiative has received annual appropriations of \$25 million since its inception in 1998. The 2002 request of \$25 million will enable communities to reclaim and redevelop approximately 25 Brownfield sites.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

| Identification code 86-0219-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 2 | 1 | |

| | | | |
|---|----|----|--|
| 72.99 Obligated balance, start of year | 2 | 1 | |
| 73.20 Total outlays (gross) | -1 | -1 | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 1 | | |
| 74.99 Obligated balance, end of year | 1 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 1 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | 1 | |

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless persons. The program expands the supply of affordable housing and, at the same time, enables high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency. The 2002 request of \$60 million will provide more than 3,774 young people with skills they need to get jobs. The Youthbuild program has been funded as a set-aside within the CDBG program since 1996. The obligated balance and outlays shown above represent activity in the separate youthbuild account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, **[\$1,800,000,000] \$1,796,040,000** to remain available until expended **[; Provided, That] , of which \$200,000,000 shall be for the Downpayment Assistance Initiative; of which up to \$20,000,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968[; Provided further, That \$17,000,000] ; and of which up to \$22,000,000 shall be for information technology projects, including \$20,000,000 that shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)**

Program and Financing (in millions of dollars)

| Identification code 86-0205-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 HOME grants | 1,644 | 1,985 | 1,796 |
| 10.00 Total new obligations (object class 41.0) | 1,644 | 1,985 | 1,796 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 191 | 189 | |
| 22.00 New budget authority (gross) | 1,636 | 1,796 | 1,796 |
| 22.10 Resources available from recoveries of prior year obligations | 6 | | |
| 23.90 Total budgetary resources available for obligation | 1,833 | 1,985 | 1,796 |
| 23.95 Total new obligations | -1,644 | -1,985 | -1,796 |
| 24.40 Unobligated balance carried forward, end of year | 189 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,636 | 1,800 | 1,796 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -4 | |
| 43.00 Appropriation (total discretionary) | 1,636 | 1,796 | 1,796 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 3,947 | 4,107 | 4,356 |
| 72.99 Obligated balance, start of year | 3,947 | 4,107 | 4,356 |
| 73.10 Total new obligations | 1,644 | 1,985 | 1,796 |
| 73.20 Total outlays (gross) | -1,479 | -1,736 | -1,857 |

General and special funds—Continued**HOME INVESTMENT PARTNERSHIPS PROGRAM—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-0205-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 73.45 Recoveries of prior year obligations | -6 | | |
| 74.40 Unpaid obligations, end of year: | | | |
| Unpaid obligations, end of year | 4,107 | 4,356 | 4,295 |
| 74.99 Obligated balance, end of year | 4,107 | 4,356 | 4,295 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 19 | 36 | 36 |
| 86.93 Outlays from discretionary balances | 1,460 | 1,700 | 1,821 |
| 87.00 Total outlays (gross) | 1,479 | 1,736 | 1,857 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,636 | 1,796 | 1,796 |
| 90.00 Outlays | 1,479 | 1,736 | 1,857 |

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2002 request will result in the production of 87,035 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 10,350 units.

The Down Payment Assistance Initiative will assist approximately 130,000 first-time low-income homebuyers.

The HOME request also includes up to \$22 million for information technology projects. Of this total, \$20 million will be transferred to the Working Capital Fund. Funding for technical assistance is also included.

Funding of \$20 million for the Housing Counseling Assistance program is also proposed in this account. This program provides comprehensive housing counseling services, including pre-purchase, default, and renter counseling, to eligible homeowners and tenants. Up to three percent of these funds are set aside for housing counseling assistance for Native Americans.

The Housing Counseling program was funded at \$17.5 million as a HOME set-aside in 1999, \$15 million in 2000, and \$20 million in 2001. The 2002 Budget proposes \$20 million for housing counseling.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program (as authorized under subtitle B of title IV of the [Stewart B.] McKinney-Vento Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the [Stewart B.] McKinney-Vento Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), [\$1,025,000,000] \$1,022,745,000, to remain available until expended: *Provided*, That not less than 30 percent of these funds shall be used for permanent housing, and all funding for services must be matched by 25 percent in funding by each grantee: *Provided further*, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance

for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: *Provided further*, That [up to 1.5 percent] \$2,500,000 of the funds appropriated under this heading [is transferred to the Working Capital Fund to be used] shall be available for technical assistance [for management information systems and to develop an automated, client-level Annual Performance Report System]: *Provided further*, That up to \$11,700,000 shall be available for information technology, including the development of a client-level Annual Performance Report System: *Provided further*, That \$500,000 shall be made available for the Interagency Council for the Homeless for administrative needs. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

| Identification code 86-0192-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Homeless assistance grants | 882 | 2,363 | 1,023 |
| 10.00 Total new obligations (object class 41.0) | 882 | 2,363 | 1,023 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,072 | 1,340 | |
| 22.00 New budget authority (gross) | 1,020 | 1,023 | 1,023 |
| 22.10 Resources available from recoveries of prior year obligations | 25 | | |
| 22.22 Unobligated balance transferred from other accounts | 105 | | |
| 23.90 Total budgetary resources available for obligation | 2,222 | 2,363 | 1,023 |
| 23.95 Total new obligations | -882 | -2,363 | -1,023 |
| 24.40 Unobligated balance carried forward, end of year | 1,340 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,020 | 1,025 | 1,023 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -2 | |
| 43.00 Appropriation (total discretionary) | 1,020 | 1,023 | 1,023 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 1,867 | 2,510 | 3,873 |
| 72.99 Obligated balance, start of year | 1,867 | 2,510 | 3,873 |
| 73.10 Total new obligations | 882 | 2,363 | 1,023 |
| 73.20 Total outlays (gross) | -885 | -1,000 | -1,200 |
| 73.32 Obligated balance transferred from other accounts | 670 | | |
| 73.45 Recoveries of prior year obligations | -25 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 2,510 | 3,873 | 3,696 |
| 74.99 Obligated balance, end of year | 2,510 | 3,873 | 3,696 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 31 | 31 | 31 |
| 86.93 Outlays from discretionary balances | 854 | 969 | 1,169 |
| 87.00 Total outlays (gross) | 885 | 1,000 | 1,200 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,020 | 1,023 | 1,023 |
| 90.00 Outlays | 885 | 1,000 | 1,200 |

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These funds will enable localities to continue to shape and implement comprehensive, flexible, coordinated "continuum of care" approaches to solving rather than institutionalizing homelessness. In fact, in recent years, many communities have made great strides in developing holistic continuum of care approaches to solving homelessness. A community-based process is required as part of the application process. Communities are required to include in their applications performance measures that contain specific goals that would accrue from the community's efforts, and are required to demonstrate tangible results on an annual basis. Requested fund-

ing would be available for a wide range of activities to assist homeless persons and prevent future homelessness. The 2002 request will fund over 50,000 new and renewal transitional and permanent beds, all linked to supportive services.

Funding is also requested for technical assistance to provide needed assistance to grantees to resolve problems that hinder successful project completion and implementation, and for management information systems support, including the continuing operation of tracking systems required by House Report 105-610.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

[(INCLUDING TRANSFER OF FUNDS)]

[For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$25,000,000 to remain available until expended, which amount shall be awarded by June 1, 2001, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas: *Provided*, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0324-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Rural Housing | 31 | 51 | ..... |
| 10.00 Total new obligations (object class 41.0) | 31 | 51 | ..... |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 32 | 26 | ..... |
| 22.00 New budget authority (gross) | 25 | 25 | ..... |
| 23.90 Total budgetary resources available for obligation | 57 | 51 | ..... |
| 23.95 Total new obligations | -31 | -51 | ..... |
| 24.40 Unobligated balance carried forward, end of year | 26 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 25 | 25 | ..... |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year ..... | ..... | 23 | 50 |
| 72.99 Obligated balance, start of year ..... | ..... | 23 | 50 |
| 73.10 Total new obligations | 31 | 51 | ..... |
| 73.20 Total outlays (gross) | -8 | -24 | -25 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 23 | 50 | 25 |
| 74.99 Obligated balance, end of year | 23 | 50 | 25 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1 | 1 | ..... |
| 86.93 Outlays from discretionary balances | 7 | 23 | 25 |
| 87.00 Total outlays (gross) | 8 | 24 | 25 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 25 | 25 | ..... |
| 90.00 Outlays | 8 | 24 | 25 |

The 2001 VA-HUD and Independent Agencies Appropriations Act (P.L. 106-74) provided \$25 million to the Rural Housing and Economic Development program. This program is located in the Office of Community Planning and Development and is used to encourage new and innovative approaches to serving the housing and economic development needs of the nation's rural communities. The 2002 Budget proposes no new funding for this program.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

| Identification code 86-0170-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 78 | 68 | 58 |
| 72.99 Obligated balance, start of year | 78 | 68 | 58 |
| 73.20 Total outlays (gross) | -10 | -10 | -10 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 68 | 58 | 48 |
| 74.99 Obligated balance, end of year | 68 | 58 | 48 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 10 | 10 | 10 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority ..... | ..... | ..... | ..... |
| 90.00 Outlays | 10 | 10 | 10 |

Title I of the Housing and Community Development Act of 1974, as amended, authorized grants to distressed cities and distressed urban counties to fund economic development projects. The program was terminated in 1990.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

| Identification code 86-0222-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 19 | 7 | ..... |
| 72.99 Obligated balance, start of year | 19 | 7 | ..... |
| 73.20 Total outlays (gross) | -12 | -7 | ..... |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 7 | ..... | ..... |
| 74.99 Obligated balance, end of year | 7 | ..... | ..... |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 12 | 7 | ..... |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority ..... | ..... | ..... | ..... |
| 90.00 Outlays | 12 | 7 | ..... |

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations and to assist such corporations and organizations to carry out community development and affordable housing activities. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996. Public Law 105-18 amended authorizing legislation to include additional eligible recipients and provided funding for this program through a transfer from the Homeownership and Opportunity for People Everywhere Grants account in 1997. Public Law 105-65 provided funding for this program under the Community Development Block Grant Account in 1998. P.L. 105-276 provided \$15 million for this program in 1999 for the two organizations eligible prior to the enactment of P.L. 105-18. Funding of \$28 million was provided for this program in 2001 in Public Law 106-377 as a set-aside within the CDBG program. \$29 million is being requested in 2002, again as a set-aside within CDBG.

General and special funds—Continued**EMERGENCY SHELTER GRANTS PROGRAM****Program and Financing** (in millions of dollars)

| Identification code 86-0181-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 22.21 Unobligated balance transferred to other accounts | -1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

Title IV, subtitle B, of the McKinney-Vento Homeless Assistance Act (Public Law 100-77) authorizes the Secretary to make Emergency Shelter Grants to States and units of local government to provide emergency shelter and other support for the homeless. Since 1995, this assistance has been funded under the Homeless Assistance Grants account. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM**Program and Financing** (in millions of dollars)

| Identification code 86-0188-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 35 | | |
| 22.21 Unobligated balance transferred to other accounts | -35 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 96 | | |
| 72.99 Obligated balance, start of year | 96 | | |
| 73.31 Obligated balance transferred to other accounts | -96 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

Title IV, subtitle C, of the McKinney-Vento Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services, especially for: deinstitutionalized homeless individuals; homeless families with children; homeless individuals with mental disabilities; and other persons including those with AIDS. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS**Program and Financing** (in millions of dollars)

| Identification code 86-0187-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 22.21 Unobligated balance transferred to other accounts | -1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

Title IV, subtitle D, of the McKinney-Vento Homeless Assistance Act authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SHELTER PLUS CARE**Program and Financing** (in millions of dollars)

| Identification code 86-0204-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | | |
| 22.21 Unobligated balance transferred to other accounts | -3 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 228 | | |
| 72.99 Obligated balance, start of year | 228 | | |
| 73.31 Obligated balance transferred to other accounts | -228 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

Title IV, subtitle F, of the McKinney-Vento Homeless Assistance Act authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients using other Federal, State, local and private resources. Eligible recipients include States and units of general local government.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

SHELTER PLUS CARE RENEWALS

For the renewal on an annual basis [of contracts expiring during fiscal years 2001 and 2002] or amendment of contracts funded under the Shelter Plus Care program, as authorized under subtitle F of title IV of the [Stewart B.] McKinney-Vento Homeless Assistance Act, as amended, [\$100,000,000] \$99,780,000, to remain available until expended: *Provided*, That each Shelter Plus Care project with an expiring contract shall be eligible for renewal only if the project is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0232-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Renewal of Expiring Contracts | | 100 | 100 |
| 10.00 Total new obligations (object class 41.0) | | 100 | 100 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 100 | 100 |
| 23.95 Total new obligations | | -100 | -100 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 100 | 100 |

| | | | |
|--|--|-----|-----|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 | Unpaid obligations, start of year | | 89 |
| 72.99 | Obligated balance, start of year | | 89 |
| 73.10 | Total new obligations | 100 | 100 |
| 73.20 | Total outlays (gross) | -11 | -57 |
| Unpaid obligations, end of year: | | | |
| 74.40 | Unpaid obligations, end of year | 89 | 132 |
| 74.99 | Obligated balance, end of year | 89 | 132 |
| Outlays (gross), detail: | | | |
| 86.90 | Outlays from new discretionary authority | 11 | 11 |
| 86.93 | Outlays from discretionary balances | | 46 |
| 87.00 | Total outlays (gross) | 11 | 57 |
| Net budget authority and outlays: | | | |
| 89.00 | Budget authority | 100 | 100 |
| 90.00 | Outlays | 11 | 57 |

Shelter Plus Care provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Homeless people with disabilities often need more than shelter to live independently, such as medical care or other social services. Shelter Plus Care provides for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (which are funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance. The Shelter Plus Care renewal funding will renew contracts on a one-year basis and will also provide funding to amend contracts that were previously extended but which will run out of funding.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

| | | | | |
|--|---|-------------|-----------|-----------|
| Identification code 86-0221-0-1-604 | | 2000 actual | 2001 est. | 2002 est. |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 9 | | |
| 72.99 | Obligated balance, start of year | 9 | | |
| 73.31 | Obligated balance transferred to other accounts | -9 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | | | |

Section 2 of the HUD Demonstration Act of 1993 authorized assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients included States, units of local government, Indian tribes, and nonprofit organizations. Authorization for this program expired at the end of 1994. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM

Program and Financing (in millions of dollars)

| | | | | |
|--|---|-------------|-----------|-----------|
| Identification code 86-0220-0-1-451 | | 2000 actual | 2001 est. | 2002 est. |
| Obligations by program activity: | | | | |
| 00.01 | Grants for Schools | 5 | | |
| 10.00 | Total new obligations (object class 41.0) | 5 | | |
| Budgetary resources available for obligation: | | | | |
| 22.00 | New budget authority (gross) | 5 | | |

| | | | | |
|--|--|----|--|--|
| 23.95 | Total new obligations | -5 | | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.05 | Appropriation (indefinite) | 5 | | |
| 43.00 | Appropriation (total discretionary) | 5 | | |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 1 | | |
| 72.99 | Obligated balance, start of year | 1 | | |
| 73.10 | Total new obligations | 5 | | |
| 73.20 | Total outlays (gross) | -5 | | |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 5 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 5 | | |
| 90.00 | Outlays | 5 | | |

The Communities in Schools program, formerly known as the National Cities in Schools program, provides funding to empower local communities to work through collaborative public/private partnerships involving schools, public housing communities, and community organizations to prevent youngsters from dropping out of school, while involving youth in local community building, job training and neighborhood revitalization projects. P.L. 105-276 authorized the transfer of \$5,000,000 in Annual Contributions for Assisted Housing recaptures to this account in 1999. The 2000 Appropriations Act (P.L. 106-74) provided \$5 million. No funding was provided in 2001 and none is requested for 2002.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

| | | | | |
|--|---|-------------|-----------|-----------|
| Identification code 86-4015-0-3-451 | | 2000 actual | 2001 est. | 2002 est. |
| Obligations by program activity: | | | | |
| 09.01 | Loan servicing | 6 | 9 | 8 |
| 09.03 | Administrative expenses | 1 | 1 | 1 |
| 10.00 | Total new obligations | 7 | 10 | 9 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 93 | 76 | 63 |
| 22.00 | New budget authority (gross) | 36 | 42 | 37 |
| 22.10 | Resources available from recoveries of prior year obligations | 3 | | |
| 22.40 | Capital transfer to general fund | -50 | -45 | -40 |
| 23.90 | Total budgetary resources available for obligation | 82 | 73 | 60 |
| 23.95 | Total new obligations | -7 | -10 | -9 |
| 24.40 | Unobligated balance carried forward, end of year | 76 | 63 | 51 |
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 36 | 42 | 37 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 9 | 6 | 3 |
| 72.99 | Obligated balance, start of year | 9 | 6 | 3 |
| 73.10 | Total new obligations | 7 | 10 | 9 |
| 73.20 | Total outlays (gross) | -7 | -13 | -9 |
| 73.45 | Recoveries of prior year obligations | -3 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 6 | 3 | 3 |
| 74.99 | Obligated balance, end of year | 6 | 3 | 3 |
| Outlays (gross), detail: | | | | |
| 86.98 | Outlays from mandatory balances | 7 | 13 | 9 |

Public enterprise funds—Continued**REVOLVING FUND (LIQUIDATING PROGRAMS)—Continued****Program and Financing** (in millions of dollars)—Continued

| Identification code 86-4015-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Offsets: | | | |
| 88.40 Against gross budget authority and outlays: Offsetting collections (cash) from: Non-Federal sources | -36 | -42 | -37 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -29 | -29 | -28 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 175 | 142 | 109 |
| 1251 Repayments: Repayments and prepayments | -28 | -30 | -25 |
| 1263 Write-offs for default: Direct loans | -5 | -3 | -2 |
| 1290 Outstanding, end of year | 142 | 109 | 82 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 1 | | |
| 2251 Repayments and prepayments | -1 | | |

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs.

Statement of Operations (in millions of dollars)

| Identification code 86-4015-0-3-451 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 11 | 5 | 5 | 5 |
| 0102 Expense | -1 | -4 | -4 | -4 |
| 0105 Net income or loss (-) | 10 | 1 | 1 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 86-4015-0-3-451 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 103 | 82 | 65 | 60 |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 20 | 17 | 16 | 15 |
| 1207 Advances and prepayments | 1 | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 175 | 142 | 109 | 82 |
| 1602 Interest receivable | 16 | 12 | 11 | 10 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -7 | -19 | -17 | -15 |
| 1604 Direct loans and interest receivable, net | 184 | 135 | 103 | 77 |
| 1606 Foreclosed property | | 1 | 1 | 1 |
| 1699 Value of assets related to direct loans | 184 | 136 | 104 | 78 |
| 1801 Other Federal assets: Cash and other monetary assets | 1 | 1 | 1 | 1 |
| 1999 Total assets | 308 | 237 | 186 | 154 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 1 | 1 | 1 | 1 |
| 2207 Other | 8 | 8 | 4 | 3 |
| 2999 Total liabilities | 9 | 9 | 5 | 4 |

NET POSITION:

| | | | | |
|---|-----|-----|-----|-----|
| 3100 Appropriated capital | 193 | 10 | 10 | 10 |
| 3300 Cumulative results of operations | 106 | 218 | 171 | 140 |
| 3999 Total net position | 299 | 228 | 181 | 150 |
| 4999 Total liabilities and net position | 308 | 237 | 186 | 154 |

Object Classification (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-----------|-----------|
| 25.2 Other services | 5 | 7 | 6 |
| 32.0 Land and structures | 2 | 3 | 3 |
| 99.9 Total new obligations | 7 | 10 | 9 |

Credit accounts:**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT**

For the cost of guaranteed loans, \$14,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$608,696,000 notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan program, \$1,000,000 which shall be transferred to and merged with the appropriation for "Salaries and Expenses".

Program and Financing (in millions of dollars)

| Identification code 86-0198-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Community development loan guarantee credit subsidy | 9 | 29 | 14 |
| 00.09 Administrative expense | 1 | 1 | 1 |
| 10.00 Total new obligations (object class 33.0) | 10 | 30 | 15 |

Budgetary resources available for obligation:

| | | | |
|---|-----|-----|-----|
| 22.00 New budget authority (gross) | 30 | 30 | 15 |
| 23.95 Total new obligations | -10 | -30 | -15 |
| 23.98 Unobligated balance expiring or withdrawn | -20 | | |

New budget authority (gross), detail:

| | | | |
|---------------------------|----|----|----|
| Discretionary: | | | |
| 40.00 Appropriation | 30 | 30 | 15 |

Change in unpaid obligations:

| | | | |
|---|----|-----|-----|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 18 | 22 | 32 |
| 72.99 Obligated balance, start of year | 18 | 22 | 32 |
| 73.10 Total new obligations | 10 | 30 | 15 |
| 73.20 Total outlays (gross) | -7 | -20 | -20 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 22 | 32 | 27 |
| 74.99 Obligated balance, end of year | 22 | 32 | 27 |

Outlays (gross), detail:

| | | | |
|--|---|----|----|
| 86.90 Outlays from new discretionary authority | 2 | 5 | 3 |
| 86.93 Outlays from discretionary balances | 5 | 15 | 17 |
| 87.00 Total outlays (gross) | 7 | 20 | 20 |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 30 | 30 | 15 |
| 90.00 Outlays | 7 | 20 | 20 |

Guaranteed Loans.—The Community Development Loan Guarantee program (Section 108) has a proposed commitment

level of \$609 million in 2002. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$15 million in 2002.

Section 108 loan guarantees are used by Community Development Block Grant entitlement and nonentitlement communities (assisted by their State) to cover the cost of: acquiring real property; rehabilitating publicly owned real property; housing rehabilitation; and, certain other economic development activities. In addition, Section 108 has, in some cases, been used to finance the construction of housing by nonprofit organizations.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 86-0198-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 1,261 | 1,258 | 609 |
| 2159 Total loan guarantee levels | 1,261 | 1,258 | 609 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | 2.30 | 2.30 | 2.30 |
| 2329 Weighted average subsidy rate | 2.30 | 2.30 | 2.30 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | 29 | 29 | 14 |
| 2339 Total subsidy budget authority | 29 | 29 | 14 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | 6 | 19 | 19 |
| 2349 Total subsidy outlays | 6 | 19 | 19 |
| Administrative expense data: | | | |
| 3510 Budget authority | 1 | 1 | 1 |
| 3580 Outlays from balances | | | |
| 3590 Outlays from new authority | 1 | 1 | 1 |

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4096-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 16 | 22 | 44 |
| 22.00 New financing authority (gross) | 7 | 21 | 22 |
| 23.90 Total budgetary resources available for obligation | 23 | 43 | 66 |
| 24.40 Unobligated balance carried forward, end of year | 22 | 44 | 67 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | 7 | 21 | 22 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -6 | -19 | -19 |
| 88.25 Interest on uninvested funds | -1 | -2 | -3 |
| 88.90 Total, offsetting collections (cash) | -7 | -21 | -22 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | -7 | -21 | -22 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4096-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 1,261 | 1,258 | 609 |
| 2112 Uncommitted loan guarantee limitation | -849 | | |
| 2150 Total guaranteed loan commitments | 412 | 1,258 | 609 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 1,509 | 1,692 | 1,942 |
| 2231 Disbursements of new guaranteed loans | 322 | 500 | 400 |
| 2251 Repayments and prepayments | -139 | -250 | -200 |
| 2290 Outstanding, end of year | 1,692 | 1,942 | 2,142 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 1,692 | 1,942 | 2,142 |

Balance Sheet (in millions of dollars)

| Identification code 86-4096-0-3-451 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 16 | 22 | 44 | 67 |
| 1999 Total assets | 16 | 22 | 44 | 67 |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 16 | 22 | 44 | 67 |
| 2999 Total liabilities | 16 | 22 | 44 | 67 |
| 4999 Total liabilities and net position | 16 | 22 | 44 | 67 |

Guaranteed loans.—The Community Development Loan Guarantees program provides a mechanism for the Federal guarantee of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 4 | | |
| 22.40 Capital transfer to general fund | 134 | | |
| 22.70 Balance of authority to borrow withdrawn | -138 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 7 | 4 | 4 |
| 69.27 Capital transfer to general fund | -3 | -4 | -4 |
| 69.90 Spending authority from offsetting collections (total mandatory) | 4 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 134 | 134 | 134 |

Credit accounts—Continued**COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 86-4097-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 72.99 Obligated balance, start of year | 134 | 134 | 134 |
| 74.40 Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 134 | 134 | 134 |
| 74.99 Obligated balance, end of year | 134 | 134 | 134 |
| Offsets: | | | |
| 88.00 Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -7 | -4 | -4 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -3 | -4 | -4 |
| 90.00 Outlays | -7 | -4 | -4 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 13 | 13 | 13 |
| 1251 Repayments: Repayments and prepayments | | | |
| 1290 Outstanding, end of year | 13 | 13 | 13 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 134 | 107 | 82 |
| 2251 Repayments and prepayments | -27 | -25 | -23 |
| 2290 Outstanding, end of year | 107 | 82 | 59 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 107 | 82 | 59 |

Statement of Operations (in millions of dollars)

| Identification code 86-4097-0-3-451 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 8 | 2 | 2 | 2 |
| 0102 Expense | -8 | -2 | -2 | -2 |

Balance Sheet (in millions of dollars)

| Identification code 86-4097-0-3-451 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | -4 | | | |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 11 | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1701 Defaulted guaranteed loans, gross | 13 | 11 | 11 | 11 |
| 1702 Interest receivable | 4 | | | |
| 1799 Value of assets related to loan guarantees | 17 | 11 | 11 | 11 |
| 1901 Other Federal assets: Other assets | 139 | | | |
| 1999 Total assets | 163 | 11 | 11 | 11 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Debt | | 11 | 11 | 11 |
| 2105 Other | 14 | | | |
| 2201 Non-Federal liabilities: Accounts payable | 149 | | | |
| 2999 Total liabilities | 163 | 11 | 11 | 11 |
| 4999 Total liabilities and net position | 163 | 11 | 11 | 11 |

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from Federal Financing Bank (FFB) direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantees program is provided to eligible communities to finance economic development activities, housing rehabilitation, development or expansion of public facilities, acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 required private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

**AMERICA'S PRIVATE INVESTMENT COMPANIES PROGRAM ACCOUNT
INCLUDING TRANSFER OF FUNDS****Program and Financing (in millions of dollars)**

| Identification code 86-0326-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.05 Appropriation (indefinite) | 20 | | |
| 41.00 Transferred to other accounts | -20 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

The 2000 appropriation provided \$20 million for America's Private Investment Companies (APIC) contingent upon the program's authorization. The program was not authorized and the funding was transferred to Community Development Financial Institutions. No funding was provided for 2001 and none is proposed for 2002.

**AMERICA'S PRIVATE INVESTMENT COMPANIES LOAN GUARANTEE
FINANCING ACCOUNT****Status of Guaranteed Loans (in millions of dollars)**

| Identification code 86-4102-0-3-451 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 541 | | |
| 2112 Uncommitted loan guarantee limitation | -541 | | |

HOUSING PROGRAMS**Federal Funds****General and special funds:****HOUSING FOR SPECIAL POPULATIONS
(INCLUDING TRANSFER OF FUNDS)**

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, **[\$996,000,000]** \$1,001,009,000, to remain available until expended: *Provided*, That **[\$779,000,000]** \$783,286,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under such section 202(c)(2), and for supportive services associated with the housing, of which

amount **[\$50,000,000]** \$49,890,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, of which amount up to \$3,000,000 shall be available to renew expiring project rental assistance contracts for up to a one-year term, and of which amount **[\$50,000,000]** \$49,890,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: *Provided further*, That of the amount under this heading, **[\$217,000,000]** \$217,723,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act, of which up to \$1,200,000 shall be available to renew expiring project rental assistance contracts for up to a one-year term: *Provided further*, That **[\$1,000,000]** up to \$3,000,000, to be divided evenly between the appropriations for the section 202 and section 811 programs, shall be **[transferred to the Working Capital Fund for the development and maintenance of]** available for information technology **[systems]**: *Provided further*, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is 5 years in duration: *Provided further*, That the Secretary may waive any provision of such section 202 and such section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0320-0-1-604 | | 2000 actual | 2001 est. | 2002 est. |
|--|---|-------------|-----------|-----------|
| Obligations by program activity: | | | | |
| 00.01 | Direct Program Activity | 937 | 939 | 1,001 |
| 10.00 | Total new obligations (object class 41.0) | 937 | 939 | 1,001 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 2,749 | 2,760 | 2,817 |
| 22.00 | New budget authority (gross) | 911 | 994 | 1,001 |
| 22.10 | Resources available from recoveries of prior year obligations | 37 | | |
| 23.90 | Total budgetary resources available for obligation | 3,697 | 3,754 | 3,818 |
| 23.95 | Total new obligations | -937 | -939 | -1,001 |
| 24.40 | Unobligated balance carried forward, end of year | 2,760 | 2,817 | 2,817 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 911 | 996 | 1,001 |
| 40.77 | Reduction pursuant to P.L. 106-554 (0.22 percent) | | -2 | |
| 43.00 | Appropriation (total discretionary) | 911 | 994 | 1,001 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 3,799 | 3,978 | 3,929 |
| 72.99 | Obligated balance, start of year | 3,799 | 3,978 | 3,929 |
| 73.10 | Total new obligations | 937 | 939 | 1,001 |
| 73.20 | Total outlays (gross) | -720 | -988 | -1,025 |
| 73.45 | Recoveries of prior year obligations | -37 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 3,978 | 3,929 | 3,905 |
| 74.99 | Obligated balance, end of year | 3,978 | 3,929 | 3,905 |
| Outlays (gross), detail: | | | | |
| 86.93 | Outlays from discretionary balances | 720 | 988 | 1,025 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 911 | 994 | 1,001 |

| | | | | |
|-------|---------------|-----|-----|-------|
| 90.00 | Outlays | 720 | 988 | 1,025 |
|-------|---------------|-----|-----|-------|

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. In 2002, \$1,001 million is requested for the Housing for Special Populations account.

Housing for the Disabled.—\$217.7 million is proposed for housing for persons with disabilities, including language to permit up to 25 percent of these funds to be earmarked for tenant-based assistance which increases the number of persons that can be assisted by maximizing the use of the private market.

Housing for the Elderly.—A total of \$783 million is proposed for housing for the elderly. Of this amount \$50 million is for the capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants are available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living.

Conversion of units to assisted living will make available to low-income elderly, a new type of housing that Americans with higher incomes already benefit from in increasing numbers. Converting some Section 202 projects to assisted living brings this successful innovation to a population that includes a much higher proportion of frail elderly than when subsidized apartment projects were first constructed. These elderly need additional help with various tasks in order to continue living as independently as possible. Projects need to be reconfigured to provide more congregate areas and room for additional services. As a result of this investment, people who otherwise would be confined to nursing homes and receive a higher level of care can enjoy a much greater degree of independence.

\$50 million is provided for a service coordinator program that will serve both residents of HUD-assisted elderly housing and other eligible elderly residing in the neighborhood in which such projects are located on an exception basis. These grants and the 202 program will address the growing housing needs of the nation's elderly.

OTHER ASSISTED HOUSING PROGRAMS**RENTAL HOUSING ASSISTANCE****Program and Financing** (in millions of dollars)

| Identification code 86-0206-0-1-999 | | 2000 actual | 2001 est. | 2002 est. |
|--|--|-------------|-----------|-----------|
| Obligations by program activity: | | | | |
| 00.01 | Rent supplement | 7 | 6 | 6 |
| 00.02 | Homeownership and rental housing assistance (Sections 235 and 236) | 867 | 60 | 60 |
| 00.03 | College Housing | 1 | | |
| 00.04 | IRP Rehab Grants/Loans | | 100 | 300 |
| 10.00 | Total new obligations (object class 41.0) | 875 | 166 | 366 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 7 | 30 | 264 |
| 21.49 | Unobligated balance carried forward, start of year: Contract authority | 1,053 | 1,025 | 1,025 |
| 21.99 | Total unobligated balance carried forward, start of year | 1,060 | 1,055 | 1,289 |
| 22.00 | New budget authority (gross) | 818 | | |
| 22.10 | Resources available from recoveries of prior year obligations | 73 | 400 | 200 |
| 22.75 | Balance of contract authority withdrawn | -21 | | |
| 23.90 | Total budgetary resources available for obligation | 1,930 | 1,455 | 1,489 |
| 23.95 | Total new obligations | -875 | -166 | -366 |
| 24.40 | Unobligated balance carried forward, end of year | 30 | 264 | 98 |
| 24.49 | Unobligated balance carried forward, end of year: Contract authority | 1,025 | 1,025 | 1,025 |

General and special funds—Continued**OTHER ASSISTED HOUSING PROGRAMS—Continued****RENTAL HOUSING ASSISTANCE—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 86-0206-0-1-999 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 24.99 Total unobligated balance carried forward, end of year | 1,055 | 1,289 | 1,123 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.05 Appropriation (indefinite) | 736 | 698 | 712 |
| 40.36 Homeownership Assistance Rescission | -7 | | |
| 40.49 Portion applied to liquidate contract authority | -729 | -698 | -712 |
| 49.05 Contract authority (indefinite) | 818 | | |
| 70.00 Total new budget authority (gross) | 818 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 10,655 | 10,775 | 9,843 |
| 72.99 Obligated balance, start of year | 10,655 | 10,775 | 9,843 |
| 73.10 Total new obligations | 875 | 166 | 366 |
| 73.20 Total outlays (gross) | -682 | -698 | -712 |
| 73.45 Recoveries of prior year obligations | -73 | -400 | -200 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 10,775 | 9,843 | 9,297 |
| 74.99 Obligated balance, end of year | 10,775 | 9,843 | 9,297 |
| 75.01 Obligated balance, start of year: Contract authority | 10,616 | 10,705 | 10,007 |
| 75.02 Obligated balance, end of year: Contract authority | 10,705 | 10,007 | 9,295 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 682 | 698 | 712 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 818 | | |
| 90.00 Outlays | 682 | 698 | 712 |

Status of Contract Authority (in millions of dollars)

| Identification code 86-0206-0-1-999 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 0100 Balance, start of year | 11,669 | 11,730 | 11,032 |
| Contract authority: | | | |
| 0200 Contract authority | 811 | | |
| 0400 Appropriation to liquidate contract authority | -729 | -698 | -712 |
| 0600 Balance of contract authority withdrawn | -21 | | |
| 0700 Balance, end of year | 11,730 | 11,032 | 10,320 |

OTHER ASSISTED HOUSING**Summary of Administrative Commitments**

(in millions of dollars)

| Assistance contracts: | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| College Housing | 1 | | |
| Rent supplement | 7 | 6 | 6 |
| Homeownership and rental housing assistance (sections 235 and 236) | 867 | 60 | 60 |
| IRP Rehab Grants | 0 | 100 | 300 |
| Administrative commitments, start of year | 16 | 16 | 16 |
| Administrative commitments, end of year | -16 | -16 | -16 |
| Total obligations | 875 | 166 | 366 |

The Other Assisted Housing Account contains the programs listed below:

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 20,000 units which have not converted to section 8.

Section 235.—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. This replaced earlier versions of the program, the original and the revised versions. All were below interest rate mortgages for single family homes.

Section 236.—The Housing and Urban Development Act of 1968, as amended, authorizes the section 236 Rental Housing Assistance Program which subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants.

IRP Rehab Grants.—Title V of the 1998 Appropriations Act (P.L. 105-65) establishes a program of rehabilitation grants for owners of eligible projects. An estimated \$300 million of such grants are expected in 2001.

The table below reflects the consolidated outlay total for: the Housing Certificate Fund; the Public Housing Capital Fund; and the Other Assisted Housing account, for 2000, 2001, and 2002.

SUMMARY OF OUTLAYS¹

(in millions of dollars)

| | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Subsidized housing programs, total | 20,344 | 21,071 | 21,960 |
| Low-income housing assistance (sec. 8) | 15,972 | 16,655 | 17,676 |
| Public housing capital fund | 3,690 | 3,718 | 3,572 |
| Rent supplement | 54 | 56 | 55 |
| Homeownership assistance (sec. 235) | 17 | 16 | 16 |
| Rental housing assistance (sec. 236) | 596 | 610 | 625 |
| College housing grants | 15 | 16 | 16 |

¹ Includes outlays for contract renewals.**HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE GRANTS)****Program and Financing (in millions of dollars)**

| Identification code 86-0196-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14 | | |
| 22.00 New budget authority (gross) | -19 | | |
| 22.10 Resources available from recoveries of prior year obligations | 5 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | -19 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 81 | 51 | 26 |
| 72.99 Obligated balance, start of year | 81 | 51 | 26 |
| 73.20 Total outlays (gross) | -25 | -25 | -25 |
| 73.45 Recoveries of prior year obligations | -5 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 51 | 26 | 1 |
| 74.99 Obligated balance, end of year | 51 | 26 | 1 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 25 | 25 | 25 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -19 | | |
| 90.00 Outlays | 25 | 25 | 25 |

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2, and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for 2002. This schedule reflects the liquidation of prior year balances.

CONGREGATE SERVICES

Program and Financing (in millions of dollars)

| Identification code 86-0178-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 2 | | |
| 72.99 Obligated balance, start of year | 2 | | |
| 73.20 Total outlays (gross) | -1 | | |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | | |

Under the Congregate Services program, HUD contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. No new funds are requested under this account. However, congregate services are an eligible activity in 2002 under the Community Development Block Grant program. Renewals of congregate services contracts for assisted housing are funded within the Housing for Special Populations account. This schedule reflects the liquidation of prior year balances from the separately appropriated Congregate Services Program.

SECTION 8 MODERATE REHABILITATION
SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

| Identification code 86-0195-0-1-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 65 | | |
| 22.21 Unobligated balance transferred to other accounts | -65 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 337 | | |
| 72.99 Obligated balance, start of year | 337 | | |
| 73.31 Obligated balance transferred to other accounts | -337 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | | | |

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the McKinney-Vento Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. Since 1995, these activities have been funded in the Homeless Assistance Grants account. The 2000 Appropriations Act transferred all balances in this account to the Homeless Assistance Grants account.

MANUFACTURED HOME INSPECTION AND MONITORING
(INCLUDING TRANSFERS OF FUNDS)

Unavailable Collections (in millions of dollars)

| Identification code 86-5271-0-2-376 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Receipts: | | | |
| 02.00 Manufactured home inspection and monitoring | 11 | | |
| Appropriations: | | | |
| 05.00 Manufactured home inspection and monitoring | -11 | | |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-5271-0-2-376 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Transfer to salaries and expenses | 1 | 1 | |
| 00.02 Other program costs | 14 | 4 | |
| 10.00 Total new obligations (object class 25.2) | 15 | 5 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 9 | 5 | |
| 22.00 New budget authority (gross) | 11 | | |
| 23.90 Total budgetary resources available for obligation | 20 | 5 | |
| 23.95 Total new obligations | -15 | -5 | |
| 24.40 Unobligated balance carried forward, end of year | 5 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.25 Appropriation (special fund, indefinite) | 11 | | |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 1 | 2 | 2 |
| 72.99 Obligated balance, start of year | 1 | 2 | 2 |
| 73.10 Total new obligations | 15 | 5 | |
| 73.20 Total outlays (gross) | -14 | -5 | -2 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 2 | 2 | |
| 74.99 Obligated balance, end of year | 2 | 2 | |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 9 | | |
| 86.98 Outlays from mandatory balances | 5 | 5 | 2 |
| 87.00 Total outlays (gross) | 14 | 5 | 2 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 11 | | |
| 90.00 Outlays | 14 | 5 | 2 |

This account provides spending for HUD and its agents for development of manufactured housing standards. Consistent with the Manufactured Housing Improvement Act of 2000, spending for 2002 on these activities is proposed in the Manufactured Housing Fees Trust Fund account.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

| Identification code 86-4041-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.00 Reimbursable program | 19 | | 16 |
| 09.01 Refunds of Excess Income | | 17 | |
| 10.00 Total new obligations (object class 25.2) | 19 | 17 | 16 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | 1 |
| 22.00 New budget authority (gross) | 19 | 17 | 16 |
| 23.90 Total budgetary resources available for obligation | 20 | 18 | 17 |
| 23.95 Total new obligations | -19 | -17 | -16 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 1 | 1 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 19 | 17 | 16 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 7 | 19 | 19 |
| 72.99 Obligated balance, start of year | 7 | 19 | 19 |
| 73.10 Total new obligations | 19 | 17 | 16 |

Public enterprise funds—Continued**RENTAL HOUSING ASSISTANCE FUND—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 86-4041-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 73.20 Total outlays (gross) | -7 | -17 | -16 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 19 | 19 | 19 |
| 74.99 Obligated balance, end of year | 19 | 19 | 19 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 7 | 17 | 16 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | -19 | -17 | -16 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -12 | | |

The Housing and Urban Development Act of 1968 authorized the Secretary to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects would be deposited.

The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section 236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund.

FLEXIBLE SUBSIDY FUND**(TRANSFER OF FUNDS)**

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [2000] 2001, and any collections made during fiscal year [2001] 2002, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.00 Reimbursable program | 12 | 18 | |
| 09.01 Refund of Excess Income | | 20 | |
| 10.00 Total new obligations (object class 41.0) | 12 | 38 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 264 | 268 | 238 |
| 22.00 New budget authority (gross) | 15 | 8 | 24 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 280 | 276 | 262 |
| 23.95 Total new obligations | -12 | -38 | |
| 24.40 Unobligated balance carried forward, end of year | 268 | 238 | 262 |
| New budget authority (gross), detail: | | | |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 15 | 8 | 24 |

| | | | | |
|-------|--|----|---|----|
| 68.90 | Spending authority from offsetting collections (total discretionary) | 15 | 8 | 24 |
|-------|--|----|---|----|

Change in unpaid obligations:

| | | | |
|---|-----|-----|-----|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 28 | 14 | 12 |
| 72.99 Obligated balance, start of year | 28 | 14 | 12 |
| 73.10 Total new obligations | 12 | 38 | |
| 73.20 Total outlays (gross) | -17 | -40 | -12 |
| 73.40 Adjustments in expired accounts (net) | -6 | | |
| 73.45 Recoveries of prior year obligations | -1 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 14 | 12 | |
| 74.99 Obligated balance, end of year | 14 | 12 | |

Outlays (gross), detail:

| | | | | |
|-------|---|----|----|----|
| 86.93 | Outlays from discretionary balances | 17 | 40 | 12 |
|-------|---|----|----|----|

Offsets:

| | | | |
|--|-----|----|-----|
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -7 | | -16 |
| 88.40 Non-Federal sources | -8 | -8 | -8 |
| 88.90 Total, offsetting collections (cash) | -15 | -8 | -24 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|---|----|-----|
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | 2 | 32 | -12 |

Memorandum (non-add) entries:

| | | | | |
|-------|---|-----|--|--|
| 92.01 | Total investments, start of year: Federal securities: | | | |
| | Par value | 205 | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 761 | 703 | 648 |
| 1231 Disbursements: Direct loan disbursements | 17 | 20 | 12 |
| 1251 Repayments: Repayments and prepayments | -4 | -4 | -4 |
| 1264 Write-offs for default: Other adjustments, net | -71 | -71 | -71 |
| 1290 Outstanding, end of year | 703 | 648 | 585 |

The Flexible Subsidy Fund assisted financially troubled subsidized projects under certain FHA authorities. The subsidies were intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low and moderate-income tenants. Priority was given to projects with Federal insurance-in-force and then to those with mortgages that had been assigned to the Department of Housing and Urban Development.

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Since 1996, these resources have not been used for new reservations but they continue to offset Flexible Subsidy outlays and other discretionary expenditures. In 2000, Congress enacted legislation which permits excess income balances in the Rental Housing Assistance Fund or transferred to the Flexible Subsidy Fund to be used for refunds of prior excess income remittances, as permitted by law.

Statement of Operations (in millions of dollars)

| Identification code 86-4044-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 54 | -15 | 1 | 13 |
| 0102 Expense | -1 | -31 | -20 | |
| 0105 Net income or loss (-) | 53 | -46 | -19 | 13 |

Balance Sheet (in millions of dollars)

| Identification code 86-4044-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 108 | 281 | 266 | 278 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par | 205 | ..... | ..... | ..... |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 786 | 760 | 776 | 784 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -692 | -678 | -698 | -705 |
| Value of assets related to direct loans | | | | |
| 1699 | 94 | 82 | 78 | 79 |
| 1999 Total assets | 407 | 363 | 344 | 357 |
| LIABILITIES: | | | | |
| 2207 Non-Federal liabilities: Other ..... | ..... | 3 | 3 | 3 |
| 2999 Total liabilities ..... | ..... | 3 | 3 | 3 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 217 | 217 | 217 | 217 |
| 3300 Cumulative results of operations | 190 | 143 | 124 | 137 |
| 3999 Total net position | 407 | 360 | 341 | 354 |
| 4999 Total liabilities and net position | 407 | 363 | 344 | 357 |

HOMEOWNERSHIP ASSISTANCE FUND**Program and Financing** (in millions of dollars)

| Identification code 86-4043-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 23 | 23 | 23 |
| 21.49 Unobligated balance carried forward, start of year: Contract authority | 61 | 61 | 61 |
| 21.99 Total unobligated balance carried forward, start of year | 84 | 84 | 84 |
| 23.90 Total budgetary resources available for obligation | 84 | 84 | 84 |
| 24.40 Unobligated balance carried forward, end of year | 23 | 23 | 23 |
| 24.49 Unobligated balance carried forward, end of year: Contract authority | 61 | 61 | 61 |
| 24.99 Total unobligated balance carried forward, end of year | 84 | 84 | 84 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority ..... | ..... | ..... | ..... |
| 90.00 Outlays ..... | ..... | ..... | ..... |

Status of Contract Authority (in millions of dollars)

| Identification code 86-4043-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-----------|-----------|
| 0100 Balance, start of year | 61 | 61 | 61 |
| 0700 Balance, end of year | 61 | 61 | 61 |

The Homeownership Assistance Fund was established by the Housing and Urban-Rural Recovery Act of 1983. It provided for the receipt of recaptures of budget authority, cash, and interest earnings under the restructured section 235 program. The funds were authorized to be used, to the extent approved in Appropriation Acts, by the Secretary to provide additional section 235 assistance payments for mortgagors who are unable to assume the full payment due under the mortgage after the termination of the original 10-year assistance payments contract.

NEHEMIAH HOUSING OPPORTUNITY FUND**Program and Financing** (in millions of dollars)

| Identification code 86-4071-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 3 | 3 | 3 |
| 24.40 Unobligated balance carried forward, end of year | 3 | 3 | 3 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 21 | 16 | 8 |
| 72.99 Obligated balance, start of year | 21 | 16 | 8 |
| 73.20 Total outlays (gross) | -6 | -8 | -8 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 16 | 8 | ..... |
| 74.99 Obligated balance, end of year | 16 | 8 | ..... |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 6 | 8 | 8 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority ..... | ..... | ..... | ..... |
| 90.00 Outlays | 6 | 8 | 8 |

The Nehemiah grants program was authorized by the Housing and Community Development Act of 1987 to provide loans to eligible families to assist in the purchase of new or substantially rehabilitated units. This schedule reflects the liquidation of remaining reserved and obligated balances.

Credit accounts:**FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT**

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [2001] 2002, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$160,000,000,000.

During fiscal year [2001] 2002, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$250,000,000: *Provided*, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$330,888,000] \$336,700,000, of which not to exceed [\$324,866,000] \$332,678,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$4,022,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, \$160,000,000, of which \$96,500,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems]: *Provided*, That a combined total of up to \$160,000,000 from amounts appropriated for administrative contract expenses under this head and from amounts appropriated for administrative contract expenses under the head, *FHA—General and Special Risk Program Account*, shall be made available for information technology: *Provided further*, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, [2001] 2002 an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Unavailable Collections (in millions of dollars)

| Identification code 86-0183-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|--------------------------------------|-------------|-----------|-----------|
| Receipts: | | | |
| 02.22 Subsidy balance transfer | | 4,027 | ..... |

Credit accounts—Continued**FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

Unavailable Collections (in millions of dollars)—Continued

| Identification code 86–0183–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Appropriations: | | | |
| 05.00 FHA mutual mortgage insurance program account | | – 4,027 | |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86–0183–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.07 Reestimates of loan guarantee negative subsidy | | 3,049 | |
| 00.08 Interest on reestimates of loan guarantee subsidy | | 977 | |
| 00.09 Administrative expenses, salaries & expenses transfer | 329 | 329 | 337 |
| 00.12 Non-overhead administrative expenses for FHA contracts | 140 | 160 | 160 |
| 00.13 Transfer to Federal Housing Credit Consortium | | 2 | |
| 10.00 Total new obligations | 469 | 4,517 | 497 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 491 | 4,517 | 497 |
| 23.95 Total new obligations | – 469 | – 4,517 | – 497 |
| 23.98 Unobligated balance expiring or withdrawn | – 22 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 491 | 491 | 497 |
| 40.77 Reduction pursuant to P.L. 106–554 (0.22 percent) | | – 1 | |
| 43.00 Appropriation (total discretionary) | 491 | 490 | 497 |
| Mandatory: | | | |
| 60.25 Appropriation (special fund, indefinite) | | 4,027 | |
| 70.00 Total new budget authority (gross) | 491 | 4,517 | 497 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | | 128 | 40 |
| 72.99 Obligated balance, start of year | | 128 | 40 |
| 73.10 Total new obligations | 469 | 4,517 | 497 |
| 73.20 Total outlays (gross) | – 341 | – 4,606 | – 496 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 128 | 40 | 41 |
| 74.99 Obligated balance, end of year | 128 | 40 | 41 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 341 | 450 | 456 |
| 86.93 Outlays from discretionary balances | | 128 | 40 |
| 86.97 Outlays from new mandatory authority | | 4,027 | |
| 87.00 Total outlays (gross) | 341 | 4,606 | 496 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 491 | 4,517 | 497 |
| 90.00 Outlays | 341 | 4,606 | 496 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 86–0183–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 1150 Direct loan levels | 3 | 250 | 250 |
| 1159 Total direct loan levels | 3 | 250 | 250 |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 MMI Fund, Section 203(b) | 94,161 | 127,609 | 134,736 |
| 2150 Standby commitment authority | 45,839 | 32,391 | 25,264 |
| 2159 Total loan guarantee levels | 140,000 | 160,000 | 160,000 |

| | | | |
|--|---------|---------|---------|
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | – 1.99 | – 2.15 | – 2.07 |
| 2329 Weighted average subsidy rate | – 1.99 | – 2.15 | – 2.07 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 MMI Section 203(b) negative subsidy | – 1,864 | – 2,246 | – 2,501 |
| 2330 Reestimates | | 3,350 | |
| 2339 Total subsidy budget authority | – 1,864 | 1,104 | – 2,501 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays—MMI 203(b) negative subsidy | – 1,864 | – 2,006 | – 2,501 |
| 2340 Subsidy outlays for net reestimates | | 3,350 | |
| 2349 Total subsidy outlays | – 1,864 | 1,344 | – 2,501 |
| Administrative expense data: | | | |
| 3510 Budget authority | 491 | 490 | 497 |
| 3580 Outlays from balances | | 128 | 40 |
| 3590 Outlays from new authority | 341 | 451 | 451 |

The Federal Housing Administration (FHA) provides mortgage insurance to encourage lenders to make credit available to expand homeownership and to predominantly serve borrowers that the conventional market does not adequately provide for including: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas).

The Budget proposes legislation to allow FHA to insure a relatively new product on the mortgage market—hybrid adjustable-rate mortgages (ARMs). Using the conventional market as a prototype, hybrid ARMs are defined as adjustable-rate loans that carry an initial fixed interest rate for longer than one year. After the initial fixed-rate period ends, these loans are subject to interest rate adjustments, typically on an annual basis and indexed to the corresponding term Treasury bond yield. FHA intends to develop ARMs with a set interest rate for an initial period of 3, 5, 7, or 10 years, and annual interest rate adjustments thereafter. Hybrid ARMs will substantially enhance FHA's product line, offering a sound mortgage product to borrowers who do not qualify for a fixed-rate mortgage or cannot afford the fixed-rate pricing, but who want to avoid the volatility associated with traditional ARMs. This new product will increase loan endorsement activity by approximately 40,000 loans, resulting in an additional \$99 million in negative subsidy in 2002.

The Budget proposes an aggregate limitation of \$160 billion on commitments to guarantee loans in 2002.

As required by the Federal Credit Reform Act of 1990, this account records administrative expenses for this program, as well as the subsidy costs, if any, associated with the loan guarantees committed in 1992 and thereafter. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Object Classification (in millions of dollars)

| Identification code 86–0183–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 140 | 160 | 160 |
| 25.3 Purchases of goods and services from Government accounts | 329 | 331 | 337 |
| 41.0 Grants, subsidies, and contributions | | 3,049 | |
| 43.0 Interest and dividends | | 977 | |
| 99.9 Total new obligations | 469 | 4,517 | 497 |

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

| Identification code 86–4242–0–3–371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 3 | 250 | 250 |
| 00.02 Interest paid to Treasury | 1 | 7 | 25 |

| | | | | |
|--|--|----|------|------|
| 00.03 | Claims & other | | 19 | 23 |
| 10.00 | Total new obligations | 4 | 276 | 298 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 5 | 9 | |
| 22.00 | New financing authority (gross) | 8 | 276 | 298 |
| 22.60 | Portion applied to repay debt | | -7 | |
| 23.90 | Total budgetary resources available for obligation | 13 | 278 | 298 |
| 23.95 | Total new obligations | -4 | -276 | -298 |
| 24.40 | Unobligated balance carried forward, end of year | 9 | | |
| New financing authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 47.05 | Authority to borrow (indefinite) | 3 | | |
| Mandatory: | | | | |
| 67.15 | Authority to borrow (indefinite) | | 250 | 250 |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 9 | 79 | 160 |
| 68.47 | Portion applied to repay debt | -4 | -53 | -112 |
| 68.90 | Spending authority from offsetting collections (total discretionary) | 5 | 26 | 48 |
| 70.00 | Total new financing authority (gross) | 8 | 276 | 298 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 3 | 4 | 31 |
| 72.99 | Obligated balance, start of year | 3 | 4 | 31 |
| 73.10 | Total new obligations | 4 | 276 | 298 |
| 73.20 | Total financing disbursements (gross) | -4 | -249 | -296 |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 4 | 31 | 33 |
| 74.99 | Obligated balance, end of year | 4 | 31 | 33 |
| 87.00 | Total financing disbursements (gross) | 4 | 249 | 296 |
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.25 | Interest on uninvested funds | -1 | -1 | -1 |
| Non-Federal sources: | | | | |
| 88.40 | Repayment of principal | -8 | -73 | -145 |
| 88.40 | Repayment of interest | | -5 | -14 |
| 88.90 | Total, offsetting collections (cash) | -9 | -79 | -160 |
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | -1 | 197 | 138 |
| 90.00 | Financing disbursements | -5 | 170 | 136 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

The \$250 million in 2002 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and moderate-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in millions of dollars)

| Identification code 86-4242-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 100 | 250 | 250 |

| | | | | |
|---|--|-----|-----|------|
| 1112 | Unobligated direct loan limitation | -97 | | |
| 1150 | Total direct loan obligations | 3 | 250 | 250 |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 3 | | 177 |
| 1231 | Disbursements: Direct loan disbursements | 3 | 248 | 245 |
| Repayments: | | | | |
| 1251 | Repayments and prepayments | -2 | -69 | -137 |
| 1252 | Proceeds from loan asset sales to the public or discounted | -5 | | |
| Write-offs for default: | | | | |
| 1263 | Direct loans | | -2 | -3 |
| 1264 | Other adjustments, net | 1 | | |
| 1290 | Outstanding, end of year | | 177 | 282 |

Balance Sheet (in millions of dollars)

| Identification code 86-4242-0-3-371 | | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 9 | 13 | 10 | 10 |
| 1206 | Non-Federal assets: Receivables, net | | | 13 | 46 |
| Net value of assets related to post-1991 direct loans receivable: | | | | | |
| 1401 | Direct loans receivable, gross | 3 | -1 | 177 | 282 |
| 1405 | Allowance for subsidy cost (-) | -1 | -1 | | |
| 1499 | Net present value of assets related to direct loans | 2 | -2 | 177 | 282 |
| 1999 | Total assets | 11 | 11 | 200 | 338 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2103 | Treasury borrowing | 7 | 10 | 200 | 338 |
| 2105 | Other liabilities—intragovernmental ... | 3 | | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | | 1 | | |
| 2202 | Interest payable | 1 | | | |
| 2999 | Total liabilities | 11 | 11 | 200 | 338 |
| 4999 | Total liabilities and net position | 11 | 11 | 200 | 338 |

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

| Identification code 86-4587-0-3-371 | 2000 actual | 2001 est. | 2002 est. | |
|--|--|-----------|-----------|--------|
| Obligations by program activity: | | | | |
| 00.08 | Interest payments to Treasury | 471 | 479 | 486 |
| 00.11 | Default claims and other | 5,586 | 6,103 | 6,203 |
| 00.91 | Subtotal, capital/operating expenses | 6,057 | 6,582 | 6,689 |
| Negative Subsidy Activity: | | | | |
| 08.01 | Payment of negative subsidy to liquidating account for new business | 1,864 | 2,246 | 2,501 |
| 08.02 | Reestimate of loan guarantee subsidy (downward reestimates) | | 636 | |
| 08.04 | Interest on reestimates of loan guarantee subsidy | | 40 | |
| 08.91 | Subtotal, subsidy activity | 1,864 | 2,922 | 2,501 |
| 10.00 | Total new obligations | 7,921 | 9,504 | 9,190 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 2,980 | 2,659 | 4,298 |
| 22.00 | New financing authority (gross) | 8,500 | 11,644 | 8,000 |
| 22.60 | Portion applied to repay debt | -900 | -500 | -3,000 |
| 23.90 | Total budgetary resources available for obligation | 10,580 | 13,803 | 9,298 |
| 23.95 | Total new obligations | -7,921 | -9,504 | -9,190 |
| 24.40 | Unobligated balance carried forward, end of year | 2,659 | 4,298 | 109 |

New financing authority (gross), detail:

| | | | | |
|---|--|-------|--------|-------|
| Mandatory: | | | | |
| 67.15 | Authority to borrow (indefinite) | 700 | 200 | 500 |
| Spending authority from offsetting collections: | | | | |
| Discretionary: | | | | |
| 68.00 | Offsetting collections (cash) | 7,897 | 11,444 | 7,500 |

Credit accounts—Continued**FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 86-4587-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 68.10 Change in uncollected customer payments from Federal sources | - 97 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 7,800 | 11,444 | 7,500 |
| 70.00 Total new financing authority (gross) | 8,500 | 11,644 | 8,000 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 18 | 312 | 312 |
| 72.95 Uncollected customer payments from program account, start of year | - 97 | | |
| 72.99 Obligated balance, start of year | - 79 | 312 | 312 |
| 73.10 Total new obligations | 7,921 | 9,504 | 9,190 |
| 73.20 Total financing disbursements (gross) | - 7,627 | - 9,504 | - 9,190 |
| 74.00 Change in uncollected customer payments from Federal sources | 97 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 312 | 312 | 312 |
| 74.99 Obligated balance, end of year | 312 | 312 | 312 |
| 87.00 Total financing disbursements (gross) | 7,627 | 9,504 | 9,190 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Transfer of Reestimates from reserves in Liquidating account | | - 4,027 | |
| 88.25 Interest on uninvested funds | - 241 | - 215 | - 150 |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | - 3,239 | - 3,188 | - 3,258 |
| 88.40 Recoveries on defaults | - 3,826 | - 3,622 | - 3,953 |
| 88.40 Gross proceeds from asset sales | - 209 | - 392 | - 139 |
| 88.40 Other | - 382 | | |
| 88.90 Total, offsetting collections (cash) | - 7,897 | - 11,444 | - 7,500 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | 97 | | |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 700 | 200 | 500 |
| 90.00 Financing disbursements | - 269 | - 1,940 | 1,690 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4587-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 140,000 | 160,000 | 160,000 |
| 2112 Uncommitted loan guarantee limitation | - 45,839 | - 32,391 | - 25,264 |
| 2150 Total guaranteed loan commitments | 94,161 | 127,609 | 134,736 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 355,608 | 401,960 | 468,930 |
| 2231 Disbursements of new guaranteed loans | 86,274 | 106,016 | 119,712 |
| 2251 Repayments and prepayments | - 34,971 | - 33,795 | - 66,695 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | - 55 | - 360 | - 588 |
| 2262 Terminations for default that result in acquisition of property | - 4,829 | - 4,873 | - 4,709 |
| 2263 Terminations for default that result in claim payments | - 67 | - 18 | - 46 |
| 2290 Outstanding, end of year | 401,960 | 468,930 | 516,604 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 401,960 | 468,930 | 516,604 |

Addendum:

| | | | |
|---|-------|-------|-------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 360 | 102 | |
| 2331 Disbursements for guaranteed loan claims | 55 | 360 | 588 |
| 2351 Repayments of loans receivable | - 9 | | |
| 2364 Other adjustments, net | - 304 | - 462 | - 588 |
| 2390 Outstanding, end of year | 102 | | |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loans insured in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

| Identification code 86-4587-0-3-371 | 1999 actual ¹ | 2000 actual | 2001 est. | 2002 est. |
|--|--------------------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 3,228 | 2,768 | 4,299 | 109 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 187 | 91 | | |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 10 | 2,952 | | |
| 1207 Advances and prepayments | 2 | | | |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 Defaulted guaranteed loans receivable, gross | 234 | 102 | | |
| 1502 Interest receivable | 20 | 725 | | |
| 1504 Foreclosed property | 2,820 | 1,113 | 2,052 | 2,052 |
| 1505 Allowance for subsidy cost | - 1,148 | | | |
| 1599 Net value of assets related to defaulted guaranteed loan | 1,926 | 1,940 | 2,052 | 2,052 |
| 1999 Total assets | 5,353 | 7,751 | 6,351 | 2,161 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 2,080 | 2,865 | | |
| 2103 Federal liabilities, Debt | 6,382 | 6,182 | 5,882 | 3,382 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 102 | 208 | | |
| 2204 Liabilities for loan guarantees | - 3,289 | - 1,043 | 206 | - 1,221 |
| 2207 Other | 78 | - 461 | 263 | |
| 2999 Total liabilities | 5,353 | 7,751 | 6,351 | 2,161 |
| 4999 Total liabilities and net position | 5,353 | 7,751 | 6,351 | 2,161 |

¹ As reflected in the 2001 Budget.

**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE
FUNDS LIQUIDATING ACCOUNT****Program and Financing (in millions of dollars)**

| Identification code 86-4070-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating expenses: | | | |
| 00.03 Other operating costs | 12 | 12 | 12 |
| Capital investment: | | | |
| 01.02 Assignment of defaulted mortgages | 15 | 39 | 130 |
| 01.03 Acquisition of real properties | 689 | 859 | 234 |
| 01.05 Other obligations | - 32 | | |
| 01.07 Capitalized property expenses | 268 | 218 | 139 |
| 01.08 Loss mitigation activities | 5 | 14 | 23 |
| 01.09 Preforeclosure sale claims | 7 | 14 | 4 |
| 01.91 Total capital investment | 952 | 1,144 | 530 |
| Upward Re-estimates of Subsidy Activity: | | | |
| 08.07 Reestimate of loan guarantee subsidy- upward re-estimates from MMI reserves | | 3,049 | |
| 08.08 Interest on reestimates of loan guarantee subsidy | | 977 | |
| 08.91 Direct Program by Activities—Subtotal (1 level) | | 4,026 | |
| 10.00 Total new obligations | 964 | 5,182 | 542 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 14,675 | 17,744 | 17,458 |

| | | | | |
|--|---|--------|--------|--------|
| 22.00 | New budget authority (gross) | 3,926 | 4,896 | 4,274 |
| 22.10 | Resources available from recoveries of prior year obligations | 107 | | |
| 23.90 | Total budgetary resources available for obligation | 18,708 | 22,640 | 21,732 |
| 23.95 | Total new obligations | -964 | -5,182 | -542 |
| 24.40 | Unobligated balance carried forward, end of year | 17,744 | 17,458 | 21,190 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 1,864 | 2,246 | 2,501 |
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 1,741 | 2,650 | 1,773 |
| 69.10 | Change in uncollected accounts receivable from Federal sources | 321 | | |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 2,062 | 2,650 | 1,773 |
| 70.00 | Total new budget authority (gross) | 3,926 | 4,896 | 4,274 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 945 | 917 | 717 |
| 72.95 | Uncollected accounts receivable from Federal sources, start of year | -202 | -523 | -523 |
| 72.99 | Obligated balance, start of year | 743 | 394 | 194 |
| 73.10 | Total new obligations | 964 | 5,182 | 542 |
| 73.20 | Total outlays (gross) | -885 | -5,382 | -617 |
| 73.45 | Recoveries of prior year obligations | -107 | | |
| 74.00 | Change in uncollected customer payments from Federal sources | -321 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 917 | 717 | 642 |
| 74.95 | Uncollected customer payments from Federal sources, end of year | -523 | -523 | -523 |
| 74.99 | Obligated balance, end of year | 394 | 194 | 119 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 142 | 1,356 | 423 |
| 86.98 | Outlays from mandatory balances | 743 | 4,026 | 194 |
| 87.00 | Total outlays (gross) | 885 | 5,382 | 617 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Payment from financing account | -1,864 | -2,922 | -2,501 |
| 88.20 | Interest on Federal securities | -967 | -1,186 | -1,315 |
| Non-Federal sources: | | | | |
| 88.40 | Fees and premiums | -37 | -47 | -42 |
| 88.40 | Rebate of unearned prepaid premiums collected | 2 | | |
| 88.40 | Proceeds from sale of real property | -756 | -693 | -397 |
| 88.40 | Proceeds from sale of mortgage notes | -218 | -46 | -19 |
| 88.40 | Repayment of mortgage notes and sales contracts | -1 | | |
| 88.40 | Interest and operating income | -12 | -2 | |
| 88.40 | Recoveries on defaulted mortgages | -12 | | |
| 88.40 | Other income | 260 | | |
| 88.90 | Total, offsetting collections (cash) | -3,605 | -4,896 | -4,274 |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources | -321 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | -2,720 | 486 | -3,657 |
| Memorandum (non-add) entries: | | | | |
| 92.01 | Total investments, start of year: Federal securities: Par value | 14,942 | 17,260 | 17,760 |
| 92.02 | Total investments, end of year: Federal securities: Par value | 17,260 | 17,760 | 21,760 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 4 | 3 | |
| 1251 Repayments: Repayments and prepayments | -5 | -3 | |

| | | | | |
|------|--|---|--|--|
| 1264 | Write-offs for default: Other adjustments, net | 4 | | |
| 1290 | Outstanding, end of year | 3 | | |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 55,866 | 47,619 | 40,912 |
| 2251 Repayments and prepayments | -7,531 | -5,782 | -5,016 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -20 | -50 | -148 |
| 2262 Terminations for default that result in acquisition of property | -689 | -859 | -234 |
| 2263 Terminations for default that result in claim payments | -7 | -16 | -9 |
| 2290 Outstanding, end of year | 47,619 | 40,912 | 35,505 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 47,619 | 40,912 | 35,505 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 270 | 46 | 39 |
| 2331 Disbursements for guaranteed loan claims | 20 | 50 | 148 |
| 2351 Repayments of loans receivable | -14 | | |
| 2361 Write-offs of loans receivable | -42 | -19 | -43 |
| 2364 Other adjustments, net | -188 | -38 | -111 |
| 2390 Outstanding, end of year | 46 | 39 | 33 |

The Federal Housing Administration Fund currently consists of four separate insurance funds.

In order to present more clearly the operations of the various funds, FHA's budget transactions are separated into two major business segments. The basic single-family insurance programs in the Mutual Mortgage Insurance (MMI) fund and the multifamily Cooperative Management Housing Insurance (CMHI) funds form one segment. All other multifamily and other specialized insurance programs in the General Insurance and Special Risk Insurance funds (GI/SRI) form the other segment.

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit program. For each of the FHA business segments (MMI/CMHI and GI/SRI) there is a liquidating account, which records the revenues and costs associated with loan insurance committed prior to October 1, 1991, a financing account which records the revenues and costs associated with commitments to insure loans made after September 30, 1991, and, a program account which records the transactions associated with the program subsidy costs, if any, and the costs of administering the program.

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loans insured prior to 1992 and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loans insured in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

The program activity in the "Program Highlights" table shown below reflects only the activity in the MMI/CMHI liquidating and financing accounts. The GI/SRI program activity can be found with the GI/SRI liquidating account (86-4072).

PROGRAM HIGHLIGHTS

(in millions of dollars)

| Insurance initiation: | 2000 actual ¹ | 2001 est. | 2002 est. |
|--|--------------------------|-----------|-----------|
| Mortgage insurance commitments (units) | 911,345 | 1,207,579 | 1,243,311 |
| Mortgage insurance written (in fiscal year): | | | |
| Units | 873,265 | 1,046,799 | 1,152,947 |
| Amount | \$86,274 | \$106,016 | \$119,712 |

Credit accounts—Continued**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE
FUNDS LIQUIDATING ACCOUNT—Continued**

| | (in millions of dollars) | | |
|--|--------------------------|-----------|-----------|
| | 2000 actual ¹ | 2001 est. | 2002 est. |
| Insurance maintenance: Outstanding balance of insurance in force, end of year: | | | |
| Mortgage insurance | \$449,805 | \$505,021 | \$552,684 |

¹ Unaudited preliminary results.

Financial condition.—The following tables reflect the revenues, expenses and financial condition of the MMI/CMHI liquidating funds based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

| Identification code 86-4070-0-3-371 | 1999 actual | 2000 actual ¹ | 2001 est. | 2002 est. |
|---------------------------------------|-------------|--------------------------|-----------|-----------|
| 0101 Revenue | 1,391 | 1,372 | 1,554 | 1,633 |
| 0102 Expense | -148 | -207 | -279 | -259 |
| 0105 Net income or loss (-) | 1,243 | 1,165 | 1,275 | 1,374 |
| 0108 Other comprehensive income | 4,825 | 1,867 | 2,603 | 2,501 |

¹ Estimated result on GAAP basis pending final audit.**Balance Sheet** (in millions of dollars)

| Identification code 86-4070-0-3-371 | 1999 actual ¹ | 2000 actual | 2001 est. | 2002 est. |
|---|--------------------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 346 | 1,139 | 518 | 323 |
| Investments in US securities: | | | | |
| Treasury securities, par: | | | | |
| 1102 Treasury securities, par | 14,942 | 17,260 | 18,260 | 21,760 |
| 1102 Unamortized net premium/discount | -213 | -208 | -220 | -263 |
| 1106 Receivables, net | 2,282 | 2,526 | 2,526 | 2,526 |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 18 | 34 | 34 | 34 |
| 1207 Advances and prepayments | 43 | | 43 | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 5 | 4 | | |
| 1602 Interest receivable | 3 | 2 | | |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -4 | -3 | -3 | |
| 1699 Value of assets related to direct loans | 4 | 3 | -3 | |
| 1701 Defaulted guaranteed loans, gross | 317 | 25 | 50 | 8 |
| 1702 Interest receivable | 322 | 17 | | |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -331 | -31 | -62 | -5 |
| 1704 Defaulted guaranteed loans and interest receivable, net | 308 | 11 | -12 | 3 |
| 1705 Allowance for uncollectibles from foreclosed property | -367 | | | |
| 1706 Foreclosed property | 902 | 309 | 395 | 63 |
| 1799 Value of assets related to loan guarantees | 843 | 320 | 383 | 66 |
| 1901 Other Federal assets: Other assets | | 14 | 14 | 14 |
| 1999 Total assets | 18,265 | 21,088 | 21,555 | 24,460 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 91 | 91 | 91 | 91 |
| 2105 Other Intragovernmental liabilities | 77 | 77 | 77 | 77 |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 388 | 726 | 726 | 726 |
| 2204 Liabilities for loan guarantees | 669 | 462 | 370 | |
| 2207 Unearned revenue and advances, and other | 848 | 584 | 446 | 467 |
| 2999 Total liabilities | 2,073 | 1,940 | 1,710 | 1,361 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 16,192 | 19,148 | 19,845 | 23,099 |
| 3999 Total net position | 16,192 | 19,148 | 19,845 | 23,099 |

| | | | | |
|---|--------|--------|--------|--------|
| 4999 Total liabilities and net position | 18,265 | 21,088 | 21,555 | 24,460 |
|---|--------|--------|--------|--------|

¹ As reflected in the 2001 Budget.**Object Classification** (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 243 | 230 | 151 |
| 32.0 Land and structures | 689 | 859 | 234 |
| 33.0 Investments and loans | 20 | 50 | 148 |
| 41.0 Grants, subsidies, and contributions | | 3,049 | |
| 42.0 Insurance claims and indemnities | 12 | 17 | 9 |
| 43.0 Interest and dividends | | 977 | |
| 99.9 Total new obligations | 964 | 5,182 | 542 |

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), **[\$101,000,000] \$15,000,000**, to remain available until expended: *Provided*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$21,000,000,000: *Provided further*, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$50,000,000; of which not to exceed \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, **[\$211,455,000] \$216,100,000**, of which **[\$193,134,000] \$197,779,000**, shall be transferred to the appropriation for "Salaries and expenses"; and of which \$18,321,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, **\$144,000,000**, of which \$33,500,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: *Provided*, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, **[2001] 2002**, an additional \$19,800,000 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

[For an additional amount for FHA—General and special risk program account for the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), \$40,000,000, to remain available until expended: *Provided*, That the entire amount shall be available only to the extent an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the

Balanced Budget and Emergency Deficit Control Act: *Provided further*, That the funding under this heading shall only be made available upon the submission of a certification by the Secretary of Housing and Urban Development to the Committees on Appropriations that all funds committed, expended, or obligated under this heading in the Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act, 2000 were committed, expended or obligated in compliance with the Antideficiency Act (31 U.S.C. 1341).] (*Legislative Appropriations Act, 2001, as enacted by section 1(a)(2) of P.L. 106-554.*)

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 0101 FHA-General and special risk, negative subsidies | 62 | 103 | 445 |
| 0102 FHA-General and special risk, downward reestimates of subsidies | | 304 | |

Program and Financing (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Guaranteed loan subsidy | 155 | 141 | 15 |
| 00.07 Reestimate of credit subsidy | | 33 | |
| 00.08 Interest on reestimates of loan guarantee subsidy | | 13 | |
| 00.09 Administrative expenses, salaries & expenses transfer | 211 | 211 | 216 |
| 00.10 Administrative contract expenses | 116 | 144 | 144 |
| 10.00 Total new obligations | 482 | 542 | 375 |

Budgetary resources available for obligation:

| | | | |
|---|------|------|------|
| 21.40 Unobligated balance carried forward, start of year | 250 | 8 | 1 |
| 22.00 New budget authority (gross) | 231 | 541 | 375 |
| 22.10 Resources available from recoveries of prior year obligations | 37 | | |
| 23.90 Total budgetary resources available for obligation | 518 | 549 | 376 |
| 23.95 Total new obligations | -482 | -542 | -375 |
| 23.98 Unobligated balance expiring or withdrawn | -28 | -7 | |
| 24.40 Unobligated balance carried forward, end of year | 8 | 1 | 1 |

New budget authority (gross), detail:

| | | | |
|---|-----|-----|-----|
| Discretionary: | | | |
| 40.00 Appropriation | 231 | 456 | 375 |
| 40.15 Appropriation (emergency) | | 40 | |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -1 | |
| 43.00 Appropriation (total discretionary) | 231 | 495 | 375 |
| Mandatory: | | | |
| 60.05 Appropriation (indefinite) | | 46 | |
| 70.00 Total new budget authority (gross) | 231 | 541 | 375 |

Change in unpaid obligations:

| | | | |
|--|------|------|------|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 78 | 128 | 131 |
| 72.99 Obligated balance, start of year | 78 | 128 | 131 |
| 73.10 Total new obligations | 482 | 542 | 375 |
| 73.20 Total outlays (gross) | -395 | -539 | -406 |
| 73.45 Recoveries of prior year obligations | -37 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 128 | 131 | 100 |
| 74.99 Obligated balance, end of year | 128 | 131 | 100 |

Outlays (gross), detail:

| | | | |
|--|-----|-----|-----|
| 86.90 Outlays from new discretionary authority | 204 | 424 | 335 |
| 86.93 Outlays from discretionary balances | 191 | 68 | 71 |
| 86.97 Outlays from new mandatory authority | | 46 | |
| 87.00 Total outlays (gross) | 395 | 539 | 406 |

Net budget authority and outlays:

| | | | |
|------------------------------|-----|-----|-----|
| 89.00 Budget authority | 231 | 541 | 375 |
| 90.00 Outlays | 395 | 539 | 406 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 1150 Single-family PMMs | | 2 | 2 |
| 1150 Multifamily bridge loans | | 2 | 2 |
| 1150 Unused Limitation Authority | 50 | 46 | 46 |
| 1159 Total direct loan levels | 50 | 50 | 50 |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Apartments NC/SC | 1,367 | 2,304 | 3,000 |
| 2150 221d3 NP/Coop owned apts | 103 | 49 | 67 |
| 2150 Tax Credits NC | 184 | 105 | 500 |
| 2150 Mixed Income (Hope d4) | | 9 | 9 |
| 2150 Apartments Refinance | 166 | 912 | 951 |
| 2150 241a Supplemental Loans for Apts | 29 | 54 | 18 |
| 2150 Operating Loss Loans for Apts (plus 232) | 5 | 13 | 4 |
| 2150 HFA Risk Sharing | 240 | 678 | 650 |
| 2150 GSE Risk Sharing | 2 | 816 | 100 |
| 2150 FHA Full Insurance for Health Care Facilities (plus 241/232) | 702 | 421 | 1,000 |
| 2150 Health Care Refinances | 192 | 336 | 500 |
| 2150 Hospitals | 17 | 1,030 | 100 |
| 2150 Section 234: Condominiums | 5,175 | 8,137 | 8,482 |
| 2150 Section 203(k): Rehabilitation Mortgages | 848 | 1,339 | 1,395 |
| 2150 Section 221(d)(2): Low Income Housing | 9 | | |
| 2150 Title 1 Property Improvements | 258 | 464 | 216 |
| 2150 Title 1 Manufactured housing | 11 | 10 | 11 |
| 2150 Standby authority | 8,792 | 4,323 | 3,997 |
| 2159 Total loan guarantee levels | 18,100 | 21,000 | 21,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Apartments NC/SR | 7.12 | 3.35 | -0.14 |
| 2320 221d3 NP/Coop owned apts | 15.44 | 17.22 | 10.30 |
| 2320 Tax Credits NC | -0.57 | -1.75 | -2.50 |
| 2320 Mixed Income (Hope IV) | 11.81 | 3.35 | -0.14 |
| 2320 Apartments Refinance | -1.34 | -1.11 | -0.97 |
| 2320 241a Supplemental Loans for Apts | 13.88 | 22.08 | 29.31 |
| 2320 Operating Loss Loans for Apts (plus 232's) | 25.10 | 22.55 | 21.05 |
| 2320 HFA Risk Sharing | -0.45 | -1.14 | -1.55 |
| 2320 GSE Risk Sharing | -1.88 | -1.52 | -0.57 |
| 2320 FHA Full Insurance for Health Care Facilities (plus 241/232) | -2.79 | -2.07 | -2.21 |
| 2320 Health Care Refinance | -1.90 | -1.38 | -2.54 |
| 2320 Hospital | -1.60 | -1.77 | -0.36 |
| 2320 Section 234: Condominiums | 0.26 | -0.69 | -1.99 |
| 2320 Section 203(k): Rehabilitation Mortgages | 1.75 | -0.11 | -1.53 |
| 2320 Section 221(d)(2): Low Income Housing | 4.49 | 0.00 | 0.00 |
| 2320 Title 1 Property Improvements | 0.86 | -0.06 | 0.96 |
| 2320 Title 1 Manufactured housing | 0.99 | 0.14 | -0.84 |
| 2329 Weighted average subsidy rate | 1.31 | -0.12 | -1.45 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | | 101 | 15 |
| 2330 Negative Subsidy Receipts | -62 | -103 | -245 |
| 2330 Subsidy rate upward reestimate | | 46 | |
| 2330 Subsidy rate downward reestimate | | -304 | |
| 2330 Emergency Appropriation | | 40 | |
| 2339 Total subsidy budget authority | -62 | -220 | -230 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | 160 | 115 | 36 |
| 2340 Negative Subsidy Receipts | -62 | -103 | -245 |
| 2340 Subsidy upward reestimate | | 46 | |
| 2340 Subsidy rate downward reestimate | | -304 | |
| 2340 Subsidy outlays from Emergency Appropriation | | 30 | 10 |
| 2349 Total subsidy outlays | 98 | -216 | -199 |
| Administrative expense data: | | | |
| 3510 Budget authority, S&E Transfer | 87 | 211 | 216 |
| 3510 Budget authority, FHA | 144 | 144 | 144 |
| 3580 Outlays from balances | 94 | 29 | 36 |
| 3590 Outlays from new authority | 141 | 319 | 324 |

Multifamily Products.—This account includes budget authority for multifamily insurance programs requiring positive credit subsidies, as well as for salaries and expenses and other administrative costs for all General and Special Risk Insurance Fund programs.

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued**
(INCLUDING TRANSFERS OF FUNDS)—Continued

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

The Budget includes an increase in the annual premium rate of multifamily Section 221(d)(4) loan guarantees from 50 basis points to 80 basis points. This eliminates the need for appropriated credit subsidy to support this program.

Object Classification (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 25.1 Advisory and assistance services | 116 | 144 | 144 |
| 25.3 Purchases of goods and services from Government accounts | 211 | 211 | 216 |
| 41.0 Grants, subsidies, and contributions | 155 | 187 | 15 |
| 99.9 Total new obligations | 482 | 542 | 375 |

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

| Identification code 86-4077-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Capital investment, claims and other: | | | |
| 00.01 Default claims and other | 726 | 1,104 | 1,198 |
| 00.05 Interest paid to Treasury | 104 | 120 | 135 |
| 00.08 Asset sale negative subsidy payment to the receipt account | | | 200 |
| 00.09 Asset sale payment to liquidating account | | 329 | 226 |
| 00.10 Value paid to liquidating account for guarantees refinanced under 223(a)(7) | 1 | 3 | 3 |
| 00.14 Contract Costs | 114 | 100 | 100 |
| 00.91 Direct Program by Activities—Subtotal (1 level) | 945 | 1,656 | 1,862 |
| 08.01 Payment of negative subsidy to receipt account | 62 | 103 | 445 |
| 08.02 Downward subsidy rate reestimate | | 261 | |
| 08.04 Interest on subsidy rate reestimates | | 43 | |
| 08.91 Direct Program by Activities—Subtotal (1 level) | 62 | 407 | 445 |
| 10.00 Total new obligations | 1,007 | 2,063 | 2,307 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,907 | 1,801 | 1,955 |
| 22.00 New financing authority (gross) | 1,530 | 2,463 | 2,121 |
| 22.10 Resources available from recoveries of prior year obligations | 12 | | |
| 22.60 Portion applied to repay debt | -640 | -246 | -246 |
| 23.90 Total budgetary resources available for obligation | 2,809 | 4,018 | 3,830 |
| 23.95 Total new obligations | -1,007 | -2,063 | -2,307 |
| 24.40 Unobligated balance carried forward, end of year | 1,801 | 1,955 | 1,523 |

New financing authority (gross), detail:

| | | | |
|--|-------|-------|-------|
| Mandatory: | | | |
| 67.15 Authority to borrow (indefinite) | | 200 | 200 |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 1,464 | 2,263 | 1,921 |
| 68.10 Change in uncollected customer payments from Federal sources | 66 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 1,530 | 2,263 | 1,921 |

| | | | | |
|--------------------------------------|---|-------|--------|--------|
| 70.00 | Total new financing authority (gross) | 1,530 | 2,463 | 2,121 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 13 | 12 | 115 |
| 72.95 | Uncollected customer payments from program account, start of year | -49 | -115 | -115 |
| 72.99 | Obligated balance, start of year | -36 | -103 | |
| 73.10 | Total new obligations | 1,007 | 2,063 | 2,307 |
| 73.20 | Total financing disbursements (gross) | -997 | -1,960 | -2,307 |
| 73.45 | Recoveries of prior year obligations | -12 | | |
| 74.00 | Change in uncollected customer payments from Federal sources | -66 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 12 | 115 | 115 |
| 74.95 | Uncollected customer payments from program account, end of year | -115 | -115 | -115 |
| 74.99 | Obligated balance, end of year | -103 | | |
| 87.00 | Total financing disbursements (gross) | 997 | 1,960 | 2,307 |

Offsets:

| | | | | |
|--|--|--------|--------|--------|
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| Federal sources: | | | | |
| 88.00 | Payments from program account | -154 | -141 | -46 |
| 88.00 | Repayment of principal and interest from liquidating account | -273 | -273 | -16 |
| 88.00 | Subsidy reestimate from program account | | -46 | |
| 88.25 | Interest on uninvested funds | -129 | -135 | -135 |
| Non-Federal sources: | | | | |
| 88.40 | Fees and premiums | -386 | -435 | -494 |
| 88.40 | Recoveries on defaulted mortgages | -38 | -5 | -9 |
| 88.40 | Title I recoveries | -24 | -6 | -6 |
| 88.40 | Single family property recoveries | -391 | -383 | -413 |
| 88.40 | Other recoveries | -47 | | |
| 88.40 | Gross Proceeds from sale of mortgage notes (liquidating) | | -329 | -226 |
| 88.40 | Gross Proceeds from Mortgage Note Sales | -13 | -505 | -567 |
| 88.40 | Multifamily property recoveries | -9 | -5 | -9 |
| 88.90 | Total, offsetting collections (cash) | -1,464 | -2,263 | -1,921 |
| Against gross financing authority only: | | | | |
| 88.95 | Change in receivables from program accounts | -66 | | |

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------------|------|------|-----|
| 89.00 | Financing authority | | 200 | 200 |
| 90.00 | Financing disbursements | -467 | -303 | 386 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4077-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|--|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | 18,100 | 21,000 | 21,000 |
| 2112 | Uncommitted loan guarantee limitation | - 8,792 | - 3,619 | - 5,478 |
| 2150 | Total guaranteed loan commitments | 9,308 | 17,381 | 15,522 |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 59,692 | 69,128 | 72,845 |
| 2231 | Disbursements of new guaranteed loans | 12,507 | 15,175 | 15,732 |
| 2251 | Repayments and prepayments | - 2,344 | - 10,355 | - 8,930 |
| Adjustments: | | | | |
| 2261 | Terminations for default that result in loans receivable | - 226 | - 462 | - 526 |
| 2262 | Terminations for default that result in acquisition of property | - 498 | - 641 | - 672 |
| 2263 | Terminations for default that result in claim payments | - 3 | | |
| 2290 | Outstanding, end of year | 69,128 | 72,845 | 78,449 |

Memorandum:

| | | | | |
|------|--|--------|--------|--------|
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 69,128 | 72,845 | 78,449 |
|------|--|--------|--------|--------|

Addendum:

| | | | | |
|---|--|-----|------|------|
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | | |
| 2310 | Outstanding, start of year | 491 | 552 | 504 |
| 2331 | Disbursements for guaranteed loan claims | 226 | 462 | 526 |
| 2351 | Repayments of loans receivable | -79 | -510 | -577 |

| | | | | |
|------|--------------------------------------|------|-----|-----|
| 2361 | Write-offs of loans receivable | - 86 | | |
| 2390 | Outstanding, end of year | 552 | 504 | 453 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet¹ (in millions of dollars)

| Identification code 86-4077-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 1,897 | 1,698 | 1,633 | 1,663 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 520 | 344 | | |
| 1107 Borrowings receivable from liquidating account | | | 202 | 202 |
| Non-Federal assets: | | | | |
| 1201 Investments in non-Federal securities, net | 26 | 7 | | |
| 1206 Receivables, net | 2 | 3 | | |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 Defaulted guaranteed loans receivable, gross | 486 | 552 | 504 | 453 |
| 1502 Interest receivable | 5 | 8 | | |
| 1504 Foreclosed property | 347 | 225 | 598 | 598 |
| 1505 Allowance for subsidy cost | -541 | | -1,061 | -1,061 |
| 1599 Net value of assets related to defaulted guaranteed loan | 297 | 785 | 41 | -10 |
| 1901 Other Federal assets: Other assets | -2 | -8 | | |
| 1999 Total assets | 2,740 | 2,829 | 1,876 | 1,855 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable Intragovernmental | 4 | 6 | | |
| 2103 Debt | 1,606 | 966 | 738 | 738 |
| 2105 Payable to Special Receipt Account for Subsidy Reestimate | 338 | 338 | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 8 | -17 | | |
| 2203 Debt | | -2 | | |
| 2204 Liabilities for loan guarantees | 770 | 1,533 | 1,142 | 1,117 |
| 2207 Other | 14 | 5 | | |
| 2999 Total liabilities | 2,740 | 2,829 | 1,880 | 1,855 |
| 4999 Total liabilities and net position | 2,740 | 2,829 | 1,880 | 1,855 |

¹ Preliminary results pending final audit. Subsidy reestimates for fiscal year 2000 disbursements will be performed for the Mid-Session review of the Budget.

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT**Program and Financing** (in millions of dollars)

| Identification code 86-4105-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | | 3 | 3 |
| 00.02 Interest paid to Treasury | | 1 | 1 |
| 10.00 Total new obligations | | 4 | 4 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 22.00 New financing authority (gross) | | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 1 | 3 | 3 |
| 23.95 Total new obligations | | -4 | -4 |

New financing authority (gross), detail:

| | | | |
|--|----|--|----|
| Mandatory: | | | |
| 67.15 Authority to borrow (indefinite) | 3 | | 3 |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | 1 | | 4 |
| 68.47 Portion applied to repay debt | -1 | | -4 |
| 70.00 Total new financing authority (gross) | 3 | | 3 |

Change in unpaid obligations:

| | | | |
|---|----|--|----|
| 73.10 Total new obligations | 4 | | 4 |
| 73.20 Total financing disbursements (gross) | -4 | | -4 |
| 87.00 Total financing disbursements (gross) | 4 | | 4 |

Offsets:

| | | | |
|---|----|--|----|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| Non-Federal sources: | | | |
| 88.40 Interest received on loans | -1 | | -1 |
| 88.40 Repayment of Principal | | | -3 |
| 88.90 Total, offsetting collections (cash) | -1 | | -4 |

Net financing authority and financing disbursements:

| | | | |
|-------------------------------------|---|--|----|
| 89.00 Financing authority | 2 | | -1 |
| 90.00 Financing disbursements | 3 | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4105-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 50 | 50 | 50 |
| 1112 Unobligated direct loan limitation | -50 | -46 | -46 |
| 1150 Total direct loan obligations | | 4 | 4 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1 | 1 | 4 |
| 1231 Disbursements: Direct loan disbursements | | 4 | 4 |
| 1251 Repayments: Repayments and prepayments | | -1 | -4 |
| 1290 Outstanding, end of year | 1 | 4 | 4 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General Insurance and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

This schedule includes two direct loan programs. One provides bridge loan financing to facilitate the disposition of multifamily housing owned by the Department to non-profit organizations who agree to preserve it as affordable rental or cooperative housing. The second is a single-family direct loan program for purchase money mortgages, as discussed in the preceding section for the Mutual Mortgage Insurance Fund.

Balance Sheet (in millions of dollars)

| Identification code 86-4105-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 1 | | 2 | 2 |
| 1499 Net present value of assets related to direct loans | 1 | | 2 | 2 |
| 1999 Total assets | 1 | | 2 | 2 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Treasury borrowing | 1 | | 1 | 1 |
| 2104 Resources payable to Treasury | | | 1 | 1 |
| 2999 Total liabilities | 1 | | 2 | 2 |

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING
ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

| Identification code 86-4105-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| 4999 Total liabilities and net position | 1 | ..... | 2 | 2 |

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

| Identification code 86-4106-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 1 | 5 |
| 22.00 New financing authority (gross) ..... | ..... | 4 | ..... |
| 23.90 Total budgetary resources available for obligation | 1 | 5 | 5 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 5 | 5 |

New financing authority (gross), detail:

| | | | |
|--|-------|---|-------|
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) ..... | ..... | 4 | ..... |

Offsets:

| | | | |
|---|-------|----|-------|
| Against gross financing authority and financing dis- bursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources ..... | ..... | -4 | ..... |
| 88.90 Total, offsetting collections (cash) ..... | ..... | -4 | ..... |

Net financing authority and financing disbursements:

| | | | |
|-------------------------------------|-------|-------|-------|
| 89.00 Financing authority ..... | ..... | ..... | ..... |
| 90.00 Financing disbursements ..... | ..... | -4 | ..... |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4106-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lend- ers | 7 | 4 | ..... |
| 2113 Uncommitted limitation carried forward | -4 | ..... | ..... |
| 2150 Total guaranteed loan commitments | 3 | 4 | ..... |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 2 | 3 | 7 |
| 2231 Disbursements of new guaranteed loans | 1 | 4 | 3 |
| 2290 Outstanding, end of year | 3 | 7 | 10 |

Memorandum:

| | | | |
|--|---|---|----|
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 3 | 7 | 10 |
|--|---|---|----|

Balance Sheet (in millions of dollars)

| Identification code 86-4106-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Investments in US securities: | | | | |
| 1102 Federal assets: Treasury securities, par | 1 | 1 | 5 | ..... |
| 1999 Total assets | 1 | 1 | 5 | ..... |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 1 | 1 | 5 | ..... |
| 2999 Total liabilities | 1 | 1 | 5 | ..... |
| 4999 Total liabilities and net position | 1 | 1 | 5 | ..... |

izes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain nonprofit organizations that were damaged as a result of acts of arson or terrorism.

**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING
ACCOUNT****Unavailable Collections (in millions of dollars)**

| Identification code 86-4072-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-----------|-----------|
| 01.99 Balance, start of year | 7 | 7 | 7 |
| 07.99 Balance, end of year | 7 | 7 | 7 |

Program and Financing (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating expenses: | | | |
| 00.02 Interest on debentures | 25 | 22 | 22 |
| 00.03 Other operating costs | 9 | 18 | 20 |
| 00.04 M & M Contract | 19 | 10 | 7 |
| 00.05 Legislative savings repayments | 273 | 273 | 16 |
| 00.06 PAE & 3rd party restructuring fees | 10 | 31 | 26 |
| 00.91 Total operating expenses | 336 | 354 | 91 |
| Capital investment: Claims and other: | | | |
| 01.01 Acquisition of defaulted Title I notes | -8 | 12 | 6 |
| 01.02 Assignment of mortgages | 107 | 201 | 205 |
| 01.03 Assignments per 221 G4 | 248 | 367 | 491 |
| 01.04 Assignments-Portfolio Reengineering | 110 | ..... | ..... |
| 01.05 Mark-To-Market Restructures | 2 | 570 | 1,275 |
| 01.06 Mark-to-market rehabilitation | 1 | ..... | ..... |
| 01.07 Loss on defaulted guaranteed loans | 50 | 3 | 3 |
| 01.08 Tax advances on held mortgages | -26 | 50 | 50 |
| 01.09 Acquisition of real properties | 107 | 97 | 95 |
| 01.10 Capitalized property expenses | 149 | 160 | 150 |
| 01.11 Rehabilitation of real properties | 119 | 130 | 125 |
| 01.12 Upfront Grants | 41 | 75 | 92 |
| 01.13 Other | -9 | 3 | 5 |
| 01.91 Total capital investment | 891 | 1,668 | 2,497 |
| 10.00 Total new obligations | 1,227 | 2,022 | 2,588 |

Budgetary resources available for obligation:

| | | | |
|--|--------|--------|--------|
| 21.40 Unobligated balance carried forward, start of year | 285 | 1,245 | ..... |
| 22.00 New budget authority (gross) | 2,167 | 2,071 | 2,634 |
| 22.10 Resources available from recoveries of prior year obli- gations | 19 | ..... | ..... |
| 22.40 Capital transfer to general fund ..... | ..... | -1,245 | ..... |
| 22.60 Portion applied to repay debt ..... | ..... | -49 | -46 |
| 23.90 Total budgetary resources available for obligation | 2,471 | 2,022 | 2,588 |
| 23.95 Total new obligations | -1,227 | -2,022 | -2,588 |
| 24.40 Unobligated balance carried forward, end of year | 1,245 | ..... | ..... |

New budget authority (gross), detail:

| | | | |
|---|-------|-------|-------|
| Mandatory: | | | |
| 60.05 Appropriation (indefinite) | 1,194 | 1,092 | 1,904 |
| 67.15 Authority to borrow (debentures issued) | 112 | 46 | 46 |
| 69.00 Offsetting collections (cash) | 816 | 933 | 684 |
| 69.10 Change in uncollected customer payments from Fed- eral sources | 45 | ..... | ..... |
| 69.90 Spending authority from offsetting collections (total mandatory) | 861 | 933 | 684 |
| 70.00 Total new budget authority (gross) | 2,168 | 2,071 | 2,634 |

Change in unpaid obligations:

| | | | |
|--|--------|--------|--------|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 611 | 560 | 49 |
| 72.95 Uncollected customer payments from Federal sources, start of year | -4 | -49 | -49 |
| 72.99 Obligated balance, start of year | 607 | 511 | ..... |
| 73.10 Total new obligations | 1,227 | 2,022 | 2,588 |
| 73.20 Total outlays (gross) | -1,259 | -2,533 | -2,634 |
| 73.45 Recoveries of prior year obligations | -19 | ..... | ..... |
| 74.00 Change in uncollected customer payments from Fed- eral sources | -45 | ..... | ..... |

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," author-

| | | | | |
|---|---|-------|-------|-------|
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 560 | 49 | 3 |
| 74.95 | Uncollected customer payments from Federal sources, end of year | -49 | -49 | -49 |
| 74.99 | Obligated balance, end of year | 511 | | -46 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 1,259 | 2,022 | 2,634 |
| 86.98 | Outlays from mandatory balances | | 511 | |
| 87.00 | Total outlays (gross) | 1,259 | 2,533 | 2,634 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | 19 | | |
| Non-Federal sources: | | | | |
| 88.40 | Fees and premiums | -141 | -160 | -128 |
| 88.40 | Rebates of insurance premiums | | 10 | 10 |
| 88.40 | Multifamily foreclosure sales | -75 | -25 | -28 |
| 88.40 | Proceeds from sale of real property | -104 | -126 | -112 |
| 88.40 | Proceeds from sale of mortgage notes | -20 | -329 | -226 |
| 88.40 | MTM second mortgage repayments | | -10 | -5 |
| 88.40 | Prior year recoveries | -19 | | |
| 88.40 | Recoveries on defaulted mortgages | -147 | -158 | -82 |
| 88.40 | Interest | -77 | -25 | -25 |
| 88.40 | Other interest, dividends and revenue | -24 | -30 | -30 |
| 88.40 | Modification subsidy & transfers from financing acct. | | -3 | -3 |
| 88.40 | Payment from the Financing Account | -1 | -3 | -5 |
| 88.40 | Other collections | -227 | -74 | -50 |
| 88.90 | Total, offsetting collections (cash) | -816 | -933 | -684 |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources | -45 | | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 1,306 | 1,138 | 1,950 |
| 90.00 | Outlays | 443 | 1,600 | 1,950 |
| Memorandum (non-add) entries: | | | | |
| 92.01 | Total investments, start of year: Federal securities: Par value | 5 | 7 | 6 |
| 92.02 | Total investments, end of year: Federal securities: Par value | 7 | 6 | 6 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4072-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|---|--|-------------|------------|------------|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 68 | 44 | 20 |
| 1251 | Repayments: Repayments and prepayments | <u>-24</u> | <u>-24</u> | <u>-10</u> |
| 1290 | Outstanding, end of year | 44 | 20 | 10 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4072-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|---|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 32,905 | 29,761 | 27,783 |
| 2251 | Repayments and prepayments | - 2,530 | - 1,571 | - 2,323 |
| Adjustments: | | | | |
| 2261 | Terminations for default that result in loans receivable | - 457 | - 208 | - 211 |
| 2262 | Terminations for default that result in acquisition of property | - 107 | - 97 | - 95 |
| 2263 | Terminations for default that result in claim payments | - 50 | - 102 | - 81 |
| 2290 | Outstanding, end of year | 29,761 | 27,783 | 25,073 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 29,761 | 27,783 | 25,073 |
| Addendum: | | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | | |
| 2310 | Outstanding, start of year | 1,890 | 1,960 | 1,262 |
| 2331 | Disbursements for guaranteed loan claims | 457 | 208 | 211 |
| 2351 | Repayments of loans receivable | - 324 | - 583 | - 474 |
| 2361 | Write-offs of loans receivable | - 63 | - 323 | - 687 |

| | | | | |
|------|--------------------------------|-------|-------|-----|
| 2390 | Outstanding, end of year | 1,960 | 1,262 | 312 |
|------|--------------------------------|-------|-------|-----|

The General Insurance fund provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, nursing homes, rental housing and nonprofit hospitals.

The Special Risk Insurance fund provides insurance on behalf of mortgagors who otherwise would not be eligible for mortgage insurance. In addition, the fund provides insurance on mortgages covering experimental housing where strict adherence to State or local building regulations was not observed.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

Section 571 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 established the Office of Multifamily Housing Assistance Restructuring within HUD to administer the program of mortgage and rental assistance restructuring. Included in the budget estimates for this account are projections for the financial operations of the office.

Restructuring authorities under the Multifamily Assisted Housing Reform and Affordability Act of 1997 expire at the end of fiscal year 2001. To facilitate efficient restructuring activity after this date, the Administration intends to submit legislation in the near future to extend and modify the expiring restructuring authorities.

Financial Condition.—The following tables reflect the revenues, expenses, and financial condition of the GI/SRI Liquidating Account based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

| Identification code 86-4072-0-3-371 | 1999 actual | 2000 actual ¹ | 2001 est. | 2002 est. |
|-------------------------------------|------------------------------|--------------------------|-----------|-----------|
| 0101 | Revenue | 640 | 304 | 556 |
| 0102 | Expense | -1,143 | -1,393 | -1,321 |
| 0105 | Net income or loss (-) | -503 | -1,089 | -765 |

¹ Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

| Identification code 86-4072-0-3-371 | 1999 actual ¹ | 2000 actual | 2001 est. | 2002 est. |
|---|--|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 | Fund balances with Treasury | 845 | 1,749 | |
| Investments in US securities: | | | | |
| 1102 | Treasury securities, par | 5 | 8 | |
| 1106 | Receivables, net | 4 | 45 | 3 |
| 1107 | Advances and prepayments | 20 | 20 | |
| Non-Federal assets: | | | | |
| 1201 | Investments in non-Federal securities, net | | -6 | |
| 1206 | Receivables, net | 56 | 113 | 86 |
| 1207 | Advances and prepayments | 1 | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 | Direct loans, gross | 67 | 44 | 20 |
| 1602 | Interest receivable | 10 | 1 | |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -54 | -33 | -47 |
| 1699 | Value of assets related to direct loans | 23 | 12 | -27 |
| 1701 | Defaulted guaranteed loans, gross | 1,895 | 1,982 | 1,701 |
| 1702 | Interest receivable | 359 | 215 | |

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

| Identification code 86-4072-0-3-371 | | 1999 actual ¹ | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|--|--------------------------|-------------|-----------|-----------|
| 1703 | Allowance for estimated uncollectible loans and interest (-) | -1,554 | -1,347 | -1,208 | -1,208 |
| 1704 | Defaulted guaranteed loans and interest receivable, net | 700 | 850 | 493 | 499 |
| 1705 | Allowance for uncollectibles from foreclosed property | 652 | 763 | -150 | -150 |
| 1706 | Foreclosed property | -561 | -663 | 244 | 244 |
| 1799 | Value of assets related to loan guarantees | 791 | 950 | 587 | 593 |
| Other Federal assets: | | | | | |
| 1801 | Funds held by the Public | 70 | 74 | | |
| 1901 | Other assets | | 9 | 330 | |
| 1999 | Total assets | 1,815 | 2,974 | 979 | 645 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2101 | Accounts payable | 458 | 205 | 363 | 363 |
| 2105 | Other Liabilities | 44 | 20 | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 161 | 353 | 443 | 443 |
| 2202 | Interest payable | 16 | 12 | | |
| 2203 | Debt | 106 | 220 | | |
| 2204 | Liabilities for loan guarantees | 7,653 | 6,715 | | |
| 2206 | Pension and other actuarial liabilities | | | 5,960 | 5,960 |
| 2207 | Unearned revenue and advances | 309 | 416 | 124 | 124 |
| 2999 | Total liabilities | 8,747 | 7,941 | 6,890 | 6,890 |
| NET POSITION: | | | | | |
| 3100 | Appropriated capital | | 921 | 8,532 | 8,532 |
| 3300 | Cumulative results of operations | -6,932 | -5,888 | -14,443 | -14,777 |
| 3999 | Total net position | -6,932 | -4,967 | -5,911 | -6,245 |
| 4999 | Total liabilities and net position | 1,815 | 2,974 | 979 | 645 |

¹ Preliminary pending final audit.**Object Classification (in millions of dollars)**

| Identification code 86-4072-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|--|-------------|-----------|-----------|
| 25.2 | Other services | 29 | 60 | 58 |
| 32.0 | Land and structures | 416 | 463 | 462 |
| 33.0 | Investments and loans | 460 | 1,151 | 1,977 |
| 42.0 | Insurance claims and indemnities | 24 | 53 | 53 |
| 43.0 | Interest and dividends | 25 | 22 | 22 |
| 44.0 | Repayments to financing account | 273 | 273 | 16 |
| 99.9 | Total new obligations | 1,227 | 2,022 | 2,588 |

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

| Identification code 86-4115-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|--|---|-------------|-----------|-----------|
| Obligations by program activity: | | | | |
| Capital investment: | | | | |
| 00.01 | Housing for the elderly or handicapped loans | | 4 | |
| 00.02 | Maintenance security and collateral | 1 | 1 | 1 |
| 00.91 | Subtotal, capital investment | 1 | 5 | 1 |
| 01.01 | Operating expenses: Interest on borrowings | 345 | 283 | 230 |
| 10.00 | Total new obligations | 346 | 288 | 231 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 900 | 116 | |
| 22.00 | New budget authority (gross) | 808 | 288 | 288 |
| 22.10 | Resources available from recoveries of prior year obligations | 1 | | |
| 22.40 | Capital transfer to general fund | -272 | -116 | -57 |
| 22.60 | Portion applied to repay debt | -975 | | |

| | | | | |
|-------|--|------|------|------|
| 23.90 | Total budgetary resources available for obligation | 462 | 288 | 231 |
| 23.95 | Total new obligations | -346 | -288 | -231 |
| 24.40 | Unobligated balance carried forward, end of year | 116 | | |

New budget authority (gross), detail:

| | | | | |
|------------|--|-----|------|------|
| Mandatory: | | | | |
| 60.05 | Appropriation (indefinite) | | 87 | 87 |
| 69.00 | Offsetting collections (cash) | 808 | 751 | 751 |
| 69.47 | Portion applied to repay debt | | -550 | -550 |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 808 | 201 | 201 |
| 70.00 | Total new budget authority (gross) | 808 | 288 | 288 |

Change in unpaid obligations:

| | | | | |
|------------------------------------|--|------|------|------|
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 214 | 178 | 149 |
| 72.99 | Obligated balance, start of year | 214 | 178 | 149 |
| 73.10 | Total new obligations | 346 | 288 | 231 |
| 73.20 | Total outlays (gross) | -380 | -317 | -317 |
| 73.45 | Recoveries of prior year obligations | -1 | | |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 178 | 149 | 63 |
| 74.99 | Obligated balance, end of year | 178 | 149 | 63 |

Outlays (gross), detail:

| | | | | |
|-------|--|-----|-----|-----|
| 86.97 | Outlays from new mandatory authority | 380 | 288 | 288 |
| 86.98 | Outlays from mandatory balances | | 29 | 29 |
| 87.00 | Total outlays (gross) | 380 | 317 | 317 |

Offsets:

| | | | | |
|---|---|------|------|------|
| Against gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -808 | -751 | -751 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|------|------|------|
| 89.00 | Budget authority | | -463 | -463 |
| 90.00 | Outlays | -428 | -434 | -434 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4115-0-3-371 | | 2000 actual | 2001 est. | 2002 est. |
|---|--|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 8,043 | 7,923 | 7,777 |
| 1231 | Disbursements: Direct loan disbursements | 6 | 5 | 5 |
| 1251 | Repayments: Repayments and prepayments | -122 | -151 | -187 |
| 1264 | Write-offs for default: Other adjustments, net | -4 | | |
| 1290 | Outstanding, end of year | 7,923 | 7,777 | 7,595 |

Note.—Amounts for direct loan obligations reflect reservations of section 202 funds. Loan obligations shown under the program and financing schedule reflect loans that have reached the initial closing stage of processing.

The Housing for the Elderly or Handicapped Fund was established pursuant to section 202 of the Housing Act of 1959, as amended. The fund provided direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects included an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has been used in conjunction with the section 202 program. Applications under the two programs have been processed simultaneously.

The data included in these schedules represent direct loan activities funded under the Housing for the Elderly or Handicapped Loan Fund. Further, activities in support of the needs of the elderly and disabled have been carried out under a grant program funded in the 1991 Appropriations Act (P.L. 101-507) and authorized in the National Affordable Housing Act (P.L. 101-625).

After April 1, 1992, all projects for which there were administrative reservations converted to the capital advance assistance program.

The program and financing schedule for this account summarizes the Federal government's obligations for this loan program.

Financing.—Repayments and interest income from loans continue to be available to pay for commitments of the fund.

Statement of Operations (in millions of dollars)

| Identification code 86-4115-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 685 | 674 | 600 | 564 |
| 0102 Expense | -403 | -345 | -284 | -230 |
| 0105 Net income or loss (-) | 282 | 329 | 316 | 334 |

Balance Sheet (in millions of dollars)

| Identification code 86-4115-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 1,114 | 294 | 33 | 117 |
| Non-Federal assets: | | | | |
| 1206 Receivables, net | 84 | 84 | 84 | 84 |
| 1207 Advances and prepayments | 8 | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 8,044 | 7,922 | 7,778 | 7,595 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -20 | -23 | -23 | -22 |
| 1604 Direct loans and interest receivable, net | 8,024 | 7,899 | 7,755 | 7,573 |
| 1606 Acquired Real Property | 3 | 8 | 8 | 8 |
| 1699 Value of assets related to direct loans | 8,027 | 7,907 | 7,763 | 7,581 |
| 1999 Total assets | 9,233 | 8,285 | 7,880 | 7,782 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 203 | 171 | 141 | 114 |
| 2103 Debt | 4,628 | 3,653 | 3,103 | 2,778 |
| 2104 Resources payable to Treasury | 4,395 | 4,451 | 4,651 | 4,985 |
| 2207 Non-Federal liabilities: Other | 6 | 10 | 10 | 10 |
| 2999 Total liabilities | 9,232 | 8,285 | 7,905 | 7,887 |
| 4999 Total liabilities and net position | 9,232 | 8,285 | 7,905 | 7,887 |

Object Classification (in millions of dollars)

| Identification code 86-4115-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|-------------------------------------|-------------|-----------|-----------|
| 32.0 Land and structures | 1 | 1 | 1 |
| 33.0 Investments and loans | | 4 | |
| 43.0 Interest and dividends | 345 | 283 | 230 |
| 99.9 Total new obligations | 346 | 288 | 231 |

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4042-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Unobligated balances rescinded: | | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 6 | | |
| 22.00 New budget authority (gross) | -6 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 60.36 Unobligated balance rescinded | -6 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -6 | | |
| 90.00 Outlays | | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4042-0-3-604 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1 | 1 | 1 |

| | | | |
|-------------------------------------|---|---|---|
| 1290 Outstanding, end of year | 1 | 1 | 1 |
|-------------------------------------|---|---|---|

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis.

The Nonprofit Sponsor Assistance fund provided interest-free loans to nonprofit organizations to plan housing projects to be financed under the section 202 housing for the elderly or disabled program.

Balance Sheet (in millions of dollars)

| Identification code 86-4042-0-3-604 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 6 | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 1 | 1 | 1 | |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -1 | -1 | -1 | |
| 1999 Total assets | 6 | | | |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 6 | | | |
| 3999 Total net position | 6 | | | |
| 4999 Total liabilities and net position | 6 | | | |

MANUFACTURED HOUSING FEES TRUST FUND

For expenses authorized by section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, \$17,254,000 from amounts in the Manufactured Housing Fees Trust Fund, to remain available until expended: Provided, That all balances of fees collected under sections 620 and 623 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as such sections existed on December 26, 2000, shall be transferred to and merged with the amounts in the Trust Fund.

Unavailable Collections (in millions of dollars)

| Identification code 86-8119-0-7-376 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Receipts: | | | |
| 02.00 Manufactured home inspection and monitoring | | | 17 |
| Appropriations: | | | |
| 05.00 Manufactured home inspection and monitoring | | | -17 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-8119-0-7-376 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Transfer to salaries and expenses | | | 2 |
| 00.02 Other program costs | | | 15 |
| 10.00 Total new obligations (object class 25.2) | | | 17 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | 17 |
| 23.90 Total budgetary resources available for obligation | | | 17 |
| 23.95 Total new obligations | | | -17 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.26 Appropriation (trust fund, definite) | | | 17 |
| Change in unpaid obligations: | | | |
| 73.10 Total new obligations | | | 17 |
| 73.20 Total outlays (gross) | | | -14 |

Credit accounts—Continued**MANUFACTURED HOUSING FEES TRUST FUND—Continued****Program and Financing** (in millions of dollars)—Continued

| Identification code 86–8119–0–7–376 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | | | 3 |
| 74.99 Obligated balance, end of year | | | 3 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | 14 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | 17 |
| 90.00 Outlays | | | 14 |

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes development and enforcement of appropriate standards for the construction, design, and performance of manufactured homes to assure their quality, durability, affordability, and safety. All manufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD. New program requirements mandated by the Manufactured Housing Improvement Act of 2000 include procurement of an Administering Organization, formation of a Consensus Committee to recommend revisions to and interpretations of the manufactured housing standards, development and implementation of standards for installation of manufactured housing, and development and implementation of a dispute resolution program.

Fees are charged to the manufacturers for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the consensus committee, HUD, and its agents to carry out all aspects of the manufactured housing legislation. Fees are deposited in a trust fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program. In 2000, an estimated 431,845 transportable sections were produced, for a total of 254,000 manufactured homes.

The Manufactured Housing Improvement Act of 2000 created a Manufactured Housing Fees Trust Fund and made spending subject to appropriations. This account provides spending for activities formerly funded under Manufactured Home Inspection and Monitoring.

This account also presents activities formerly shown under the Interstate Land Sales account.

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchases or leases of subdivision lots. Statements of record must be filed with the Secretary before subdivisions with 100 or more lots may be sold in interstate commerce, except when the subdivision is eligible for exemption.

The Secretary is authorized to charge a fee, to be paid by the developer when filing a statement of record. The fee receipts are permanently appropriated and have helped finance a portion of the direct administrative expenses incurred in program operations.

The estimated annual program activity level will continue at 1,020 filings, approximately the same estimated level as in recent years.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION**Federal Funds**

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (Ginnie Mae) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, Veterans Affairs (VA) and Rural Housing Service mortgages. The Ginnie Mae guarantee gives lenders access to the capital markets for funds to originate new loans. New FHA and VA loans are currently pooled into Ginnie Mae securities.

The Budget proposes legislation to allow FHA to insure a new product—hybrid adjustable-rate mortgages. This will increase demand for FHA mortgages and thus increase the volume of Ginnie Mae guarantees of securities backed by FHA mortgages. In 2002, this proposal will increase GNMA commitments by approximately \$4 billion, resulting in an additional \$13 million in negative subsidy.

Financing.—Ginnie Mae issuers are assessed commitment, guarantee and other fees to cover costs incurred by Ginnie Mae and to fund a reserve against possible future payments under the guarantee.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$775 million in 2001 and \$796 million in 2002.

Credit accounts:**GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT**

(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, [2002] 2003.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$9,383,000 to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$9,383,000 shall be transferred to the appropriation for "Salaries and expenses". (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106–377.*)

Unavailable Collections (in millions of dollars)

| Identification code 86–0186–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | 701 | 1,004 | 7,961 |
| Receipts: | | | |
| 02.20 Negative subsidies | 312 | 356 | 354 |
| 02.21 Subsidy balance transfer | | 6,610 | 439 |
| 02.99 Total receipts and collections | 312 | 6,966 | 793 |
| 04.00 Total: Balances and collections | 1,013 | 7,970 | 8,754 |
| Appropriations: | | | |
| 05.00 Guarantees of mortgage-backed securities loan guarantee program account | –9 | –9 | –9 |
| 07.99 Balance, end of year | 1,004 | 7,961 | 8,745 |

Program and Financing (in millions of dollars)

| Identification code 86–0186–0–1–371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Administrative expenses, salaries and expenses | 9 | 9 | 9 |
| 10.00 Total new obligations (object class 25.3) | 9 | 9 | 9 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 9 | 9 | 9 |
| 23.95 Total new obligations | –9 | –9 | –9 |

| | | | | |
|--|--|----|-------|-------|
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.20 | Appropriation (special fund, definite) | 9 | 9 | 9 |
| 43.00 | Appropriation (total discretionary) | 9 | 9 | 9 |
| Change in unpaid obligations: | | | | |
| 73.10 | Total new obligations | 9 | 9 | 9 |
| 73.20 | Total outlays (gross) | -9 | -9 | -9 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 9 | 9 | 9 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 9 | 9 | 9 |
| 90.00 | Outlays | 9 | 9 | 9 |
| Memorandum (non-add) entries: | | | | |
| 92.01 | Total investments, start of year: Federal securities: Par value | | | 6,610 |
| 92.02 | Total investments, end of year: Federal securities: Par value | | 6,610 | 7,049 |

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

| Identification code 86-0186-0-1-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 2150 Loan guarantee levels | 105,518 | 96,262 | 103,199 |
| 2150 Standby commitment authority | 94,482 | 103,738 | 96,801 |
| 2159 Total loan guarantee levels | 200,000 | 200,000 | 200,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 2320 Subsidy rate | -0.29 | -0.36 | -0.33 |
| 2329 Weighted average subsidy rate | -0.29 | -0.36 | -0.33 |
| Guaranteed loan subsidy budget authority: | | | |
| 2330 Subsidy budget authority | -312 | -356 | -354 |
| 2339 Total subsidy budget authority | -312 | -356 | -354 |
| Guaranteed loan subsidy outlays: | | | |
| 2340 Subsidy outlays | -312 | -356 | -354 |
| 2349 Total subsidy outlays | -312 | -356 | -354 |
| Administrative expense data: | | | |
| 3510 Budget authority | 9 | 9 | 9 |
| 3590 Outlays from new authority | 9 | 9 | 9 |

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses of this program. The administrative expenses are estimated on a cash basis.

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4240-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Operating expenses | 37 | 49 | 52 |
| 00.02 Capital investment | 5 | 47 | 51 |
| 00.91 Direct Program by Activities—Subtotal (1 level) | 42 | 96 | 103 |
| 08.01 Payment to receipt account for negative subsidy | 312 | 356 | 354 |
| 10.00 Total new obligations | 354 | 452 | 457 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 496 | 598 | 625 |
| 22.00 New financing authority (gross) | 457 | 479 | 501 |
| 23.90 Total budgetary resources available for obligation | 953 | 1,077 | 1,126 |
| 23.95 Total new obligations | -354 | -452 | -457 |
| 24.40 Unobligated balance carried forward, end of year | 598 | 625 | 668 |

| | | | | |
|--|---|------|------|------|
| New financing authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 68.00 | Spending authority from offsetting collections (gross): Offsetting collections (cash) | 457 | 479 | 501 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 11 | 16 | 16 |
| 72.99 | Obligated balance, start of year | 11 | 16 | 16 |
| 73.10 | Total new obligations | 354 | 452 | 457 |
| 73.20 | Total financing disbursements (gross) | -349 | -452 | -457 |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 16 | 16 | 17 |
| 74.99 | Obligated balance, end of year | 16 | 16 | 17 |
| 87.00 | Total financing disbursements (gross) | 349 | 452 | 457 |
| Offsets: | | | | |
| Against gross financing authority and financing disbursements: | | | | |
| Offsetting collections (cash) from: | | | | |
| Non-Federal sources: | | | | |
| 88.25 | Interest on uninvested funds | -45 | -36 | -38 |
| 88.40 | Guarantee Fees | -370 | -378 | -386 |
| 88.40 | Commitment and other fees | -32 | -44 | -34 |
| 88.40 | Multiclass fees | -10 | -21 | -23 |
| 88.40 | Repayment of advances | | | -20 |
| 88.90 | Total, offsetting collections (cash) | -457 | -479 | -501 |

| | | | | |
|---|-------------------------------|------|-----|-----|
| Net financing authority and financing disbursements: | | | | |
| 89.00 | Financing authority | | | |
| 90.00 | Financing disbursements | -107 | -27 | -44 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4240-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 200,000 | 200,000 | 200,000 |
| 2112 Uncommitted loan guarantee limitation | -94,482 | -103,738 | -96,801 |
| 2150 Total guaranteed loan commitments | 105,518 | 96,262 | 103,199 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 569,312 | 602,741 | 620,259 |
| 2231 Disbursements of new guaranteed loans | 105,518 | 96,262 | 103,199 |
| 2251 Repayments and prepayments | -72,089 | -78,744 | -91,619 |
| 2290 Outstanding, end of year | 602,741 | 620,259 | 631,839 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 602,741 | 620,259 | 631,839 |

Operating Results.—Fee collections, interest, and other income are expected to exceed expenses by \$91 million in 2000; \$55 million in 2001 and \$67 million in 2002. These amounts will be retained against losses that may be incurred on guarantees.

Balance Sheet (in millions of dollars)

| Identification code 86-4240-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with | | | | |
| Treasury | 507 | 614 | 641 | 685 |
| 1206 Non-Federal assets: Receivables, net | 30 | 31 | 32 | 33 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | | | 19 | 27 |
| 1699 Value of assets related to direct loans | | | 19 | 27 |
| 1803 Other Federal assets: Property, plant and equipment, net | | 5 | 8 | 12 |
| 1999 Total assets | 537 | 650 | 700 | 757 |

Credit accounts—Continued**GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

| Identification code 86-4240-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 40 | 47 | 49 | 50 |
| 2207 Other | | 22 | 38 | 50 |
| 2999 Total liabilities | 40 | 69 | 87 | 100 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | 496 | 581 | 613 | 657 |
| 3999 Total net position | 496 | 581 | 613 | 657 |
| 4999 Total liabilities and net position | 536 | 650 | 700 | 757 |

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service-insured, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

**GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING
ACCOUNT****Unavailable Collections (in millions of dollars)**

| Identification code 86-4238-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Receipts: | | | |
| 02.80 Guarantees of mortgage-backed securities liquidating account, offsetting collections | 456 | 414 | 58 |
| Appropriations: | | | |
| 05.00 Guarantees of mortgage-backed securities liquidating account | —456 | —414 | —58 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Operating expenses: | | | |
| 00.02 Default expenses | 1 | 1 | |
| 00.03 Servicing expenses | 2 | 2 | |
| 00.04 Other expenses | | | 1 |
| 00.91 Total operating expenses | 3 | 3 | 1 |
| Capital investment: | | | |
| 01.01 Advances of guaranty payments | 42 | 38 | 1 |
| Other: | | | |
| 02.01 Transfer to Receipt Account | | 6,610 | 56 |
| 10.00 Total new obligations | 45 | 6,651 | 58 |

Budgetary resources available for obligation:

| | | | |
|--|-------|--------|-----|
| 21.40 Unobligated balance carried forward, start of year | 5,827 | 6,237 | |
| 22.00 New budget authority (gross) | 456 | 414 | 58 |
| 23.90 Total budgetary resources available for obligation | 6,283 | 6,651 | 58 |
| 23.95 Total new obligations | —45 | —6,651 | —58 |
| 24.40 Unobligated balance carried forward, end of year | 6,237 | | |

New budget authority (gross), detail:

| | | | |
|---|-----|-----|----|
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 456 | 414 | 58 |

Change in unpaid obligations:

| | | | |
|--|-----|--------|-----|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year ¹ | —57 | —79 | —57 |
| 72.99 Obligated balance, start of year | —57 | —79 | —57 |
| 73.10 Total new obligations | 45 | 6,651 | 58 |
| 73.20 Total outlays (gross) | —67 | —6,630 | —58 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | —79 | —57 | |
| 74.99 Obligated balance, end of year | —79 | —57 | |

Outlays (gross), detail:

| | | | |
|--|----|-----|----|
| 86.97 Outlays from new mandatory authority | 67 | 414 | 58 |
|--|----|-----|----|

| | | | |
|---|----|-------|----|
| 86.98 Outlays from mandatory balances | | 6,216 | |
| 87.00 Total outlays (gross) | 67 | 6,630 | 58 |

Offsets:

Against gross budget authority and outlays:

| | | | |
|--|------|------|-----|
| Offsetting collections (cash) from: | | | |
| 88.20 Interest on Federal securities | —370 | —374 | —56 |
| Non-Federal sources: | | | |
| 88.40 Repayments of guaranteed payments | —79 | —36 | —1 |
| 88.40 Servicing income | —5 | —2 | |
| 88.40 Repayments on mortgages | —2 | —2 | —1 |
| 88.90 Total, offsetting collections (cash) | —456 | —414 | —58 |

Net budget authority and outlays:

| | | | |
|------------------------------|------|-------|--|
| 89.00 Budget authority | | | |
| 90.00 Outlays | —389 | 6,216 | |

Memorandum (non-add) entries:

| | | | |
|---|-------|-------|--|
| 92.01 Total investments, start of year: Federal securities: | | | |
| Par value | 5,781 | 6,190 | |
| 92.02 Total investments, end of year: Federal securities: | | | |
| Par value | 6,190 | | |

¹ This line nets unpaid obligations and offsetting collections from new Federal sources.

Status of Direct Loans (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 360 | 109 | 65 |
| 1232 Disbursements: Purchase of loans assets from the public | 42 | 38 | 2 |
| 1252 Repayments: Proceeds from loan asset sales to the public or discounted | —81 | —37 | —2 |
| 1263 Write-offs for default: Direct loans | —212 | —45 | —16 |
| 1290 Outstanding, end of year | 109 | 65 | 49 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 156 | 146 | 135 |
| 2251 Repayments and prepayments | —10 | —11 | —12 |
| 2290 Outstanding, end of year | 146 | 135 | 123 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 146 | 135 | 123 |

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$370 million in 2000 and \$373 million in 2001. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees. In 2002, fee collections, interest, and other income are expected to equal expenses.

Statement of Operations (in millions of dollars)

| Identification code 86-4238-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 329 | 370 | 377 | 1 |
| 0102 Expense | —3 | | —3 | —1 |
| 0105 Net income or loss (—) | 326 | 370 | 374 | |
| 0199 Total comprehensive income | 326 | 370 | 374 | |

Balance Sheet (in millions of dollars)

| Identification code 86-4238-0-3-371 | 1999 actual | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 3 | | | |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par | 5,778 | 6,171 | | |
| 1106 Receivables, net | 70 | 89 | 56 | |
| 1206 Non-Federal assets: Receivables, net | 1 | 3 | 3 | |

| | | | | | |
|---|--|-------|-------|-----|----|
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1601 | Direct loans, gross | 360 | 109 | 65 | 49 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -326 | -105 | -16 | -5 |
| 1699 | Value of assets related to direct loans | 34 | 4 | 49 | 44 |
| 1999 | Total assets | 5,886 | 6,267 | 108 | 44 |
| LIABILITIES: | | | | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 17 | 20 | 1 | |
| 2207 | Other | 512 | 513 | 105 | 43 |
| 2999 | Total liabilities | 529 | 533 | 106 | 43 |
| NET POSITION: | | | | | |
| 3300 | Cumulative results of operations | 5,357 | 5,734 | 2 | 1 |
| 3999 | Total net position | 5,357 | 5,734 | 2 | 1 |
| 4999 | Total liabilities and net position | 5,886 | 6,267 | 108 | 44 |

Note.—Ginnie Mae guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, Rural Housing Service, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, Rural Housing Service, and VA guarantees.

Object Classification (in millions of dollars)

| Identification code | 2000 actual | 2001 est. | 2002 est. |
|----------------------------------|-------------|-----------|-----------|
| 86-4238-0-3-371 | | | |
| 25.2 Other services | 3 | 3 | 2 |
| 33.0 Investments and loans | 42 | 38 | |
| 92.0 Undistributed | | 6,610 | 56 |
| 99.9 Total new obligations | 45 | 6,651 | 58 |

POLICY DEVELOPMENT AND RESEARCH

Federal Funds

General and special funds:

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, **[\$53,500,000]** \$43,404,000, to remain available until September 30, **[2002: Provided, That of the amount provided under this heading, \$10,000,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative: Provided further, That \$3,000,000 shall be for program evaluation to support strategic planning, performance measurement, and their coordination with the Department's budget process: Provided further, That \$500,000, to remain available until expended, shall be for a commission as established under section 525 of Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act]** 2003. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Program and Financing (in millions of dollars)

| Identification code | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 86-0108-0-1-451 | | | |
| Obligations by program activity: | | | |
| 00.01 Housing Research | 35 | 42 | 43 |
| 00.02 PATH | 10 | 10 | |
| 00.03 International Activities | 10 | | |
| 00.04 Commission on Affordable Housing | | 1 | |
| 00.05 Strategic Planning Performance Measurement | | 3 | |
| 10.00 Total new obligations | 55 | 56 | 43 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 12 | 2 | |
| 22.00 New budget authority (gross) | 45 | 54 | 43 |
| 23.90 Total budgetary resources available for obligation | 57 | 56 | 43 |
| 23.95 Total new obligations | -55 | -56 | -43 |

| | | | | |
|--|--|-----|-----|-----|
| 24.40 | Unobligated balance carried forward, end of year | 2 | | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 45 | 54 | 43 |
| Change in unpaid obligations: | | | | |
| Unpaid obligations, start of year: | | | | |
| 72.40 | Unpaid obligations, start of year | 52 | 63 | 61 |
| 72.99 | Obligated balance, start of year | 52 | 63 | 61 |
| 73.10 | Total new obligations | 55 | 56 | 43 |
| 73.20 | Total outlays (gross) | -43 | -58 | -60 |
| Unpaid obligations, end of year: | | | | |
| 74.40 | Unpaid obligations, end of year | 63 | 61 | 44 |
| 74.99 | Obligated balance, end of year | 63 | 61 | 44 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 9 | 22 | 17 |
| 86.93 | Outlays from discretionary balances | 34 | 36 | 43 |
| 87.00 | Total outlays (gross) | 43 | 58 | 60 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 45 | 54 | 43 |
| 90.00 | Outlays | 43 | 58 | 60 |

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to the HUD mission. These functions are carried out internally and through contracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 2002, the research program will focus on research and evaluation of HUD's housing, community development, and economic development programs. National Housing Surveys will continue in 2002. Research and evaluation activities will also support the Department in carrying out its responsibilities under the Government Performance and Results Act.

Object Classification (in millions of dollars)

| Identification code | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 86-0108-0-1-451 | | | |
| 25.2 Other services | 39 | 50 | 38 |
| 41.0 Grants, subsidies, and contributions | 16 | 6 | 5 |
| 99.9 Total new obligations | 55 | 56 | 43 |

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, **[\$46,000,000]** \$45,899,000, to remain available until September 30, **[2002]** 2003, of which **[\$24,000,000]** \$22,949,000 shall be to carry out activities pursuant to such section 561: *Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

Program and Financing (in millions of dollars)

| Identification code | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 86-0144-0-1-751 | | | |
| Obligations by program activity: | | | |
| 00.01 Fair housing assistance | 22 | 28 | 23 |
| 00.02 Fair housing initiatives | 16 | 48 | 23 |

General and special funds—Continued

FAIR HOUSING ACTIVITIES—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-0144-0-1-751 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| 10.00 Total new obligations (object class 41.0) | 38 | 76 | 46 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 26 | 30 | ..... |
| 22.00 New budget authority (gross) | 44 | 46 | 46 |
| 23.90 Total budgetary resources available for obligation | 70 | 76 | 46 |
| 23.95 Total new obligations | -38 | -76 | -46 |
| 23.98 Unobligated balance expiring or withdrawn | -2 | ..... | ..... |
| 24.40 Unobligated balance carried forward, end of year | 30 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 44 | 46 | 46 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 34 | 39 | 78 |
| 72.99 Obligated balance, start of year | 34 | 39 | 78 |
| 73.10 Total new obligations | 38 | 76 | 46 |
| 73.20 Total outlays (gross) | -33 | -37 | -37 |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 39 | 78 | 87 |
| 74.99 Obligated balance, end of year | 39 | 78 | 87 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1 | ..... | ..... |
| 86.93 Outlays from discretionary balances | 32 | 37 | 37 |
| 87.00 Total outlays (gross) | 33 | 37 | 37 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 44 | 46 | 46 |
| 90.00 Outlays | 33 | 37 | 37 |

The Budget proposes an appropriation of \$46 million in 2002 to fund fair housing activities that support efforts to end housing discrimination. Of the amount requested, \$23 million is for the Fair Housing Assistance Program and \$23 million is for the Fair Housing Initiatives Program. This includes \$7.5 million used in previous budgets for the National Housing Discrimination Audit now redirected to increase fair housing program activities by 20 percent over the 2001 level.

The Fair Housing Assistance Program (FHAP), authorized by title VIII of the Civil Rights Act of 1968 as amended, provides funding to State and local agencies to assure prompt and effective processing of Title VIII (Civil Rights Act of 1968) complaints.

The funding requested for FHAP will support fair housing enforcement by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 95 in 2002 from 89 in 2001.

The Fair Housing Initiatives Program (FHIP), authorized by the Housing and Community Development Act of 1987, as amended by the Housing and Community Development Act of 1992, provides support to public and private organizations for the purpose of eliminating or preventing discrimination in housing and for enhancing fair housing opportunities. FHIP provides funding for projects that inform and educate the public, including housing providers, on the rights and obligations of the Fair Housing Act and about substantially equivalent state and local fair housing laws.

OFFICE OF LEAD HAZARD CONTROL AND
HEALTHY HOMES

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

(INCLUDING TRANSFER OF FUNDS)

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, **[\$100,000,000] \$109,758,000** to remain available until expended, of which **[\$1,000,000]** shall be for CLEARCorps and **\$10,000,000** shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related **[environmental]** childhood diseases and hazards: *Provided, That for purposes of environmental review, a grant under the Healthy Homes Initiative, under this heading or under prior appropriations Acts, shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, and shall be subject to the regulations issued by the Secretary to implement such section. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)*

Program and Financing (in millions of dollars)

| Identification code 86-0174-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Lead abatement | 71 | 174 | 110 |
| 10.00 Total new obligations (object class 41.0) | 71 | 174 | 110 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 62 | 72 | ..... |
| 22.00 New budget authority (gross) | 80 | 100 | 110 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | ..... | ..... |
| 22.22 Unobligated balance transferred from other accounts ..... | ..... | 2 | ..... |
| 23.90 Total budgetary resources available for obligation | 143 | 174 | 110 |
| 23.95 Total new obligations | -71 | -174 | -110 |
| 24.40 Unobligated balance carried forward, end of year | 72 | ..... | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 80 | 100 | 110 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 16 | 196 | 275 |
| 72.99 Obligated balance, start of year | 16 | 196 | 275 |
| 73.10 Total new obligations | 71 | 174 | 110 |
| 73.20 Total outlays (gross) | -95 | -95 | -95 |
| 73.32 Obligated balance transferred from other accounts | 204 | ..... | ..... |
| 73.45 Recoveries of prior year obligations | -1 | ..... | ..... |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 196 | 275 | 290 |
| 74.99 Obligated balance, end of year | 196 | 275 | 290 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 2 | 2 |
| 86.93 Outlays from discretionary balances | 93 | 93 | 93 |
| 87.00 Total outlays (gross) | 95 | 95 | 95 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 80 | 100 | 110 |
| 90.00 Outlays | 95 | 95 | 95 |

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550), known as the Residential Lead-Based Paint Hazard Reduction Act, authorized the Secretary to establish the Lead-Based Paint Hazard Control Grant Program. The primary purpose of the program is to reduce the

exposure of young children to lead-based paint hazards in their homes.

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2002 Budget includes a \$10 million increase to \$100 million for HUD's Lead Hazard Control Program and \$10 million for the Healthy Homes Initiative.

The Lead Hazard Control Grant Program provides grants of \$1 to \$3 million to State and local governments and Indian tribes for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a trained and certified hazard evaluation and control industry by requiring all contractors to be certified and all workers to be trained through a State- or EPA-accredited program. In awarding grants, HUD promotes the use of new, low cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Initiative will enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates the methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The Office of Healthy Homes and Lead Hazard Control will continue its Technical Assistance program, which will include public education; technical assistance for State and local agencies, private property owners, HUD programs and field offices and professional organizations; quality control to ensure that the evaluation and control of lead-based paint hazards is done properly in HUD-assisted housing; development of standards, technical guidance, regulations and improved testing; and hazard control methods.

Prior to 1997, funding for the lead hazard control grant program was provided under the Annual Contributions for Assisted Housing Account. In 1997 and 1998, the program was funded as a set-aside under the Community Development Block Grant (CDBG) account. Starting in 1999 the program was funded as a separate, stand-alone program.

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, **[\$1,072,000,000]** *\$1,097,257,000*, of which **[\$518,000,000]** *\$530,457,000* shall be provided from the various funds of the Federal Housing Administration, \$9,383,000 shall be provided from funds of the Government National Mortgage Association, \$1,000,000 shall be provided from the "Community development fund" account, \$150,000 shall be provided by transfer from the "Title VI Indian federal guarantees program" account, and \$200,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account¹: *Provided*, That the Secretary is prohibited from using any funds under this heading or any other heading in this Act from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees: *Provided further*, That not more than \$758,000,000 shall be made available to the personal services object class: *Provided further*, That no less than \$100,000,000 shall be transferred to the Working Capital Fund for the development and maintenance of Information Technology Systems: *Provided further*, That the Secretary shall fill 7 out of 10 vacancies at the GS-14 and GS-15 levels until the total number of GS-14 and GS-15 positions in the Department has been reduced from the number of GS-14 and GS-15 positions on the date of enact-

ment of this provision by two and one-half percent: *Provided further*, That the Secretary shall submit a staffing plan for the Department by May 15, 2001: *Provided further*, That the Secretary is prohibited from using funds under this heading or any other heading in this Act to employ more than 14 employees in the Office of Public Affairs or in any position in the Department where the employee reports to an employee of the Office of Public Affairs². (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.*)

Program and Financing (in millions of dollars)

| Identification code 86-0143-0-1-999 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Housing, mortgage credit, regulatory and energy conservation | 185 | 211 | 216 |
| 00.02 Community planning and development programs | 31 | 36 | 37 |
| 00.03 Equal opportunity and research programs | 34 | 39 | 40 |
| 00.04 Departmental management, legal and audit services | 30 | 34 | 35 |
| 00.05 Field direction and administration | 194 | 222 | 228 |
| 09.01 Reimbursable program | 535 | 528 | 541 |
| 09.99 Total reimbursable program | 535 | 528 | 541 |
| 10.00 Total new obligations | 1,009 | 1,070 | 1,097 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 1,012 | 1,070 | 1,097 |
| 23.90 Total budgetary resources available for obligation | 1,012 | 1,070 | 1,097 |
| 23.95 Total new obligations | -1,009 | -1,070 | -1,097 |
| 23.98 Unobligated balance expiring or withdrawn | -2 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 477 | 543 | 556 |
| 40.77 Reduction pursuant to P.L. 106-554 (0.22 percent) | | -1 | |
| 43.00 Appropriation (total discretionary) | 477 | 542 | 556 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 535 | 528 | 541 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 535 | 528 | 541 |
| 70.00 Total new budget authority (gross) | 1,012 | 1,070 | 1,097 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 163 | 194 | 194 |
| 72.99 Obligated balance, start of year | 163 | 194 | 194 |
| 73.10 Total new obligations | 1,009 | 1,070 | 1,097 |
| 73.20 Total outlays (gross) | -968 | -1,070 | -1,092 |
| 73.31 Obligated balance transferred to other accounts | | -2 | |
| 73.40 Adjustments in expired accounts (net) | -10 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 194 | 194 | 199 |
| 74.99 Obligated balance, end of year | 194 | 194 | 199 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 903 | 945 | 969 |
| 86.93 Outlays from discretionary balances | 65 | 125 | 125 |
| 87.00 Total outlays (gross) | 968 | 1,070 | 1,092 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -535 | -528 | -541 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 477 | 542 | 556 |
| 90.00 Outlays | 433 | 542 | 551 |

This appropriation finances all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, including: housing and mortgage credit programs; community planning and development programs; equal opportunity, research, regulatory

General and special funds—Continued**SALARIES AND EXPENSES—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

and insurance programs; departmental management, and legal services; and, field direction and administration.

Object Classification (in millions of dollars)

| Identification code 86–0143–0–1–999 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 267 | 284 | 296 |
| 11.3 Other than full-time permanent | 2 | 2 | 2 |
| 11.5 Other personnel compensation | 5 | 5 | 5 |
| 11.9 Total personnel compensation | 274 | 291 | 303 |
| 12.1 Civilian personnel benefits | 62 | 66 | 68 |
| 21.0 Travel and transportation of persons | 8 | 12 | 12 |
| 23.1 Rental payments to GSA | 43 | 53 | 53 |
| 23.3 Communications, utilities, and miscellaneous charges | 14 | 16 | 16 |
| 24.0 Printing and reproduction | 3 | 2 | 2 |
| 25.1 Advisory and assistance services | 42 | 70 | 70 |
| 25.2 Other services | 3 | 3 | 3 |
| 25.3 Purchases of goods and services from Government accounts | 14 | 21 | 21 |
| 25.4 Operation and maintenance of facilities | 4 | 5 | 5 |
| 26.0 Supplies and materials | 3 | 2 | 2 |
| 31.0 Equipment | 4 | 1 | 1 |
| 99.0 Subtotal, direct obligations | 474 | 542 | 556 |
| 99.0 Reimbursable obligations | 535 | 528 | 541 |
| 99.9 Total new obligations | 1,009 | 1,070 | 1,097 |

Personnel Summary

| Identification code 86–0143–0–1–999 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 4,271 | 4,333 | 4,333 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 4,699 | 4,767 | 4,767 |

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, **[\$85,000,000]** \$93,898,000, of which \$22,343,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the appropriation for **["Drug elimination grants for low-income housing"]** the *"Public Housing Operating Fund"*. *Provided*, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106–377.*)

Program and Financing (in millions of dollars)

| Identification code 86–0189–0–1–451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 58 | 59 | 62 |
| 09.01 Reimbursable program | 33 | 33 | 32 |
| 10.00 Total new obligations | 91 | 92 | 94 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 10 | 6 | |
| 22.00 New budget authority (gross) | 84 | 86 | 94 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 97 | 92 | 94 |
| 23.95 Total new obligations | –91 | –92 | –94 |
| 23.98 Unobligated balance expiring or withdrawn | –1 | | |

| | | | | |
|-------|--|---|--|--|
| 24.40 | Unobligated balance carried forward, end of year | 6 | | |
|-------|--|---|--|--|

New budget authority (gross), detail:

| | | | |
|--|----|----|----|
| Discretionary: | | | |
| 40.00 Appropriation | 57 | 53 | 62 |
| 40.36 Unobligated balance rescinded | –6 | | |
| 43.00 Appropriation (total discretionary) | 51 | 53 | 62 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 33 | 33 | 32 |
| 68.90 Spending authority from offsetting collections (total discretionary) | 33 | 33 | 32 |
| 70.00 Total new budget authority (gross) | 84 | 86 | 94 |

Change in unpaid obligations:

| | | | |
|--|------|-----|-----|
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 52 | 27 | 28 |
| 72.99 Obligated balance, start of year | 52 | 27 | 28 |
| 73.10 Total new obligations | 91 | 92 | 94 |
| 73.20 Total outlays (gross) | –112 | –90 | –92 |
| 73.45 Recoveries of prior year obligations | –3 | | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 27 | 28 | 30 |
| 74.99 Obligated balance, end of year | 27 | 28 | 30 |

Outlays (gross), detail:

| | | | |
|--|-----|----|----|
| 86.90 Outlays from new discretionary authority | 72 | 74 | 80 |
| 86.93 Outlays from discretionary balances | 41 | 16 | 12 |
| 87.00 Total outlays (gross) | 112 | 90 | 92 |

Offsets:

| | | | |
|---|-----|-----|-----|
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | –33 | –33 | –32 |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 51 | 53 | 62 |
| 90.00 Outlays | 79 | 57 | 60 |

This appropriation provides agency wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit. Internal audits review and evaluate all facets of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

| Identification code 86–0189–0–1–451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 31 | 31 | 36 |
| 11.5 Other personnel compensation | 1 | 1 | 2 |
| 11.9 Total personnel compensation | 32 | 32 | 38 |
| 12.1 Civilian personnel benefits | 8 | 8 | 8 |
| 21.0 Travel and transportation of persons | 4 | 4 | 4 |
| 23.1 Rental payments to GSA | 5 | 4 | 4 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.1 Advisory and assistance services | 4 | 5 | 3 |
| 25.3 Purchases of goods and services from Government accounts | 2 | 3 | 2 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.0 Subtotal, direct obligations | 58 | 59 | 62 |
| 99.0 Reimbursable obligations | 33 | 33 | 32 |
| 99.9 Total new obligations | 91 | 92 | 94 |

Personnel Summary

| Identification code 86-0189-0-1-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Full-time equivalent employment | 447 | 451 | 446 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Full-time equivalent employment | 251 | 254 | 234 |

CONSOLIDATED FEE FUND

Of the balances remaining from fees and charges under section 7(j) of the Department of Housing and Urban Development Act, \$6,700,000 is rescinded.

Unavailable Collections (in millions of dollars)

| Identification code 86-5486-0-2-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Receipts: | | | |
| 02.00 Miscellaneous fees and charges | 16 | | |
| Appropriations: | | | |
| 05.00 Consolidated fee fund | -16 | | |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-5486-0-2-604 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity | | 1 | |
| 10.00 Total new obligations (object class 25.3) | | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 16 | 15 |
| 22.00 New budget authority (gross) | 16 | | -7 |
| 23.90 Total budgetary resources available for obligation | 16 | 16 | 8 |
| 23.95 Total new obligations | | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 16 | 15 | 8 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | | | -7 |
| Mandatory: | | | |
| 60.25 Appropriation (special fund, indefinite) | 16 | | |
| 70.00 Total new budget authority (gross) | 16 | | -7 |
| Change in unpaid obligations: | | | |
| 73.10 Total new obligations | | 1 | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | | 1 | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 16 | | -7 |
| 90.00 Outlays | | 1 | |

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, including not to exceed **[\$500] \$1,000** for official reception and representation expenses, **[\$22,000,000] \$27,000,000**, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: *Provided*, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106-377.)

Unavailable Collections (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2000 actual | 2001 est. | 2002 est. |
|--|-------------|-----------|-----------|
| Receipts: | | | |
| 02.60 Office of federal housing enterprise oversight | 19 | 22 | 27 |
| Appropriations: | | | |
| 05.00 Office of federal housing enterprise oversight | -19 | -22 | -27 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 20 | 23 | 27 |
| 10.00 Total new obligations | 20 | 23 | 27 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 19 | 22 | 27 |
| 22.10 Resources available from recoveries of prior year obligations | | 1 | |
| 23.90 Total budgetary resources available for obligation | 19 | 23 | 27 |
| 23.95 Total new obligations | -20 | -23 | -27 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.20 Appropriation (special fund, definite) | 19 | 22 | 27 |
| 43.00 Appropriation (total discretionary) | 19 | 22 | 27 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 4 | 6 | 6 |
| 72.99 Obligated balance, start of year | 4 | 6 | 6 |
| 73.10 Total new obligations | 20 | 23 | 27 |
| 73.20 Total outlays (gross) | -18 | -22 | -26 |
| 73.45 Recoveries of prior year obligations | | -1 | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 6 | 6 | 7 |
| 74.99 Obligated balance, end of year | 6 | 6 | 7 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 14 | 18 | 22 |
| 86.93 Outlays from discretionary balances | 4 | 4 | 4 |
| 87.00 Total outlays (gross) | 18 | 22 | 26 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 19 | 22 | 27 |
| 90.00 Outlays | 18 | 22 | 26 |

Section 7(j) of the Department of Housing and Urban Development Act establishes fees and charges from selected programs to offset the costs of audits, inspections and other related expenses that may be incurred by the Department in monitoring these programs. These fees were mis-classified for many years as deposit funds, which is a holding fund for refunds to private entities. Because these are Federal funds, they are now re-classified as such and displayed on budget. In 2002, a rescission is requested, which offsets most of the increase in funding for the Inspector General account.

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of two housing Government Sponsored Enterprises (GSEs)—Fannie Mae and Freddie Mac. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also

General and special funds—Continued**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT—Continued****SALARIES AND EXPENSES—Continued**

(INCLUDING TRANSFER OF FUNDS)—Continued

instituted a risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Personnel Compensation | 9 | 13 | 13 |
| 12.1 Civilian personnel benefits | 2 | 3 | 3 |
| 23.2 Rental payments to others | 2 | 2 | 3 |
| 25.2 Other services | 5 | 3 | 3 |
| 31.0 Equipment | 1 | 1 | 4 |
| 99.0 Subtotal, direct obligations | 19 | 22 | 26 |
| 99.5 Below reporting threshold | 1 | 1 | 1 |
| 99.9 Total new obligations | 20 | 23 | 27 |

Personnel Summary

| Identification code 86-5272-0-2-371 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 1001 Total compensable workyears: Full-time equivalent employment | 87 | 111 | 116 |

Intragovernmental funds:**WORKING CAPITAL FUND****Program and Financing** (in millions of dollars)

| Identification code 86-4586-0-4-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Reimbursable program | 275 | 352 | 362 |
| 10.00 Total new obligations | 275 | 352 | 362 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 32 | 25 | |
| 22.00 New budget authority (gross) | 265 | 327 | 362 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 300 | 352 | 362 |
| 23.95 Total new obligations | -275 | -352 | -362 |
| 24.40 Unobligated balance carried forward, end of year | 25 | | |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 255 | 314 | 362 |
| 69.10 Change in uncollected customer payments from Federal sources | 10 | 13 | |
| 69.90 Spending authority from offsetting collections (total mandatory) | 265 | 327 | 362 |
| Change in unpaid obligations: | | | |
| Unpaid obligations, start of year: | | | |
| 72.40 Unpaid obligations, start of year | 109 | 81 | 108 |
| 72.95 Uncollected customer payments from Federal sources, start of year | -88 | -98 | -111 |
| 72.99 Obligated balance, start of year | 21 | -17 | -3 |
| 73.10 Total new obligations | 275 | 352 | 362 |
| 73.20 Total outlays (gross) | -299 | -327 | -362 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.00 Change in uncollected customer payments from Federal sources | -10 | -13 | |
| Unpaid obligations, end of year: | | | |
| 74.40 Unpaid obligations, end of year | 81 | 108 | 108 |

| | | | | |
|---|---|------|------|------|
| 74.95 | Uncollected customer payments from Federal sources, end of year | -98 | -111 | -111 |
| 74.99 | Obligated balance, end of year | -17 | -3 | -3 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 299 | 327 | 362 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| 88.00 | Offsetting collections (cash) from: Federal sources | -255 | -314 | -362 |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources | -10 | -13 | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | 44 | 13 | |

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which can be performed more efficiently on a centralized basis. The fund is financed from fees charged for services performed.

Object Classification (in millions of dollars)

| Identification code 86-4586-0-4-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 11.1 Personnel compensation: Full-time permanent | 25 | 28 | 35 |
| 12.1 Civilian personnel benefits | 5 | 5 | 6 |
| 21.0 Travel and transportation of persons | 1 | 1 | 1 |
| 22.0 Transportation of things | | | 1 |
| 23.3 Communications, utilities, and miscellaneous charges | 43 | 45 | 46 |
| 25.1 Advisory and assistance services | 191 | 240 | 252 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 9 | 32 | 20 |
| 99.9 Total new obligations | 275 | 352 | 362 |

Personnel Summary

| Identification code 86-4586-0-4-451 | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| 2001 Total compensable workyears: Full-time equivalent employment | 349 | 365 | 436 |

ADMINISTRATIVE PROVISIONS

SEC. 201. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the [Stewart B.] McKinney-Vento Homeless Assistance Amendments Act of 1988 (Public Law 100-628; 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

[FAIR HOUSING AND FREE SPEECH]

[SEC. 202. None of the amounts made available under this Act may be used during fiscal year 2001 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.]

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. [203] 202. (a) ELIGIBILITY.—[Notwithstanding] *Beginning in fiscal year 2002 and thereafter, and notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C.*

12903(c)(1)(A)), from any amounts made available under this title for a fiscal year [2001] that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for *such* fiscal year [2001] under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in *such* fiscal year [2001] do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) [in fiscal year 2001], in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

[(c) ENVIRONMENTAL REVIEW.—Section 856 of the Act is amended by adding the following new subsection at the end:

“(h) ENVIRONMENTAL REVIEW.—For purposes of environmental review, a grant under this subtitle shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, and shall be subject to the regulations issued by the Secretary to implement such section.”]

SEC. 203. *Section 225 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, P.L. 106–74, is amended by inserting “and fiscal year 2002” after “fiscal year 2001”.*

[ENHANCED DISPOSITION AUTHORITY]

[SEC. 204. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking “and 2000” and inserting “2000, and thereafter.”]

[MAXIMUM PAYMENT STANDARD FOR ENHANCED VOUCHERS]

[SEC. 205. Section 8(t)(1)(B) of the United States Housing Act of 1937 is amended by inserting “and any other reasonable limit prescribed by the Secretary” immediately before the semicolon.]

[DUE PROCESS FOR HOMELESS ASSISTANCE]

[SEC. 206. None of the funds appropriated under this or any other Act may be used by the Secretary of Housing and Urban Development to prohibit or debar or in any way diminish the responsibilities of any entity (and the individuals comprising that entity) that is responsible for convening and managing a continuum of care process (convenor) in a community for purposes of the Stewart B. McKinney Homeless Assistance Act from participating in that capacity unless the Secretary has published in the Federal Register a description of all circumstances that would be grounds for prohibiting or debaring a convenor from administering a continuum of care process and the procedures for a prohibition or debarment: *Provided*, That these procedures shall include a requirement that a convenor shall be provided with timely notice of a proposed prohibition or debarment, an identification of the circumstances that could result in the prohibition or debarment, an opportunity to respond to or remedy these circumstances, and the right for judicial review of any decision of the Secretary that results in a prohibition or debarment.]

[HUD REFORM ACT COMPLIANCE]

[SEC. 207. Except as explicitly provided in legislation, any grant or assistance made pursuant to Title II of this Act shall be made in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 on a competitive basis.]

[EXPANSION OF ENVIRONMENTAL ASSUMPTION AUTHORITY FOR HOMELESS ASSISTANCE PROGRAMS]

[SEC. 208. Section 443 of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

“SEC. 443. ENVIRONMENTAL REVIEW.

“For purposes of environmental review, assistance and projects under this title shall be treated as assistance for special projects that are subject to section 305(c) of the Multifamily Housing Property

Disposition Reform Act of 1994, and shall be subject to the regulations issued by the Secretary to implement such section.”]

[TECHNICAL AMENDMENTS AND CORRECTIONS TO THE NATIONAL HOUSING ACT]

[SEC. 209. (a) SECTION 203 SUBSECTION DESIGNATIONS.—Section 203 of the National Housing Act is amended by—

(1) redesignating subsection (t) as subsection (u);

(2) redesignating subsection (s), as added by section 329 of the Cranston-Gonzalez National Affordable Housing Act, as subsection (t); and

(3) redesignating subsection (v), as added by section 504 of the Housing and Community Development Act of 1992, as subsection (w).

(b) MORTGAGE AUCTIONS.—The first sentence of section 221(g)(4)(C)(viii) of the National Housing Act is amended by inserting after “December 31, 2002” the following: “, except that this subparagraph shall continue to apply if the Secretary receives a mortgagee’s written notice of intent to assign its mortgage to the Secretary on or before such date”.

(c) MORTGAGEE REVIEW BOARD.—Section 202(c)(2) of the National Housing Act is amended—

(1) in subparagraph (E), by striking “and”;

(2) in subparagraph (F), by striking “or their designees.” and inserting “and”;

(3) by adding the following new subparagraph at the end:

“(G) the Director of the Enforcement Center; or their designees.”]

[INDIAN HOUSING BLOCK GRANT PROGRAM]

[SEC. 210. Section 201(b) of the Native American Housing Assistance and Self-Determination Act of 1996 is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

“(4) LAW ENFORCEMENT OFFICERS.—Notwithstanding paragraph (1), a recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act to a law enforcement officer on the reservation or other Indian area, who is employed full-time by a Federal, state, county or tribal government, and in implementing such full-time employment is sworn to uphold, and make arrests for violations of Federal, state, county or tribal law, if the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime.”]

[PROHIBITION ON THE USE OF FEDERAL ASSISTANCE IN SUPPORT OF THE SALE OF TOBACCO PRODUCTS]

[SEC. 211. None of the funds appropriated in this or any other Act may be used by the Secretary of Housing and Urban Development to provide any grant or other assistance to construct, operate, or otherwise benefit a facility, or facility with a designated portion of that facility, which sells, or intends to sell, predominantly cigarettes or other tobacco products. For the purposes of this provision, predominant sale of cigarettes or other tobacco products means cigarette or tobacco sales representing more than 35 percent of the annual total in-store, non-fuel, sales.]

[PROHIBITION ON IMPLEMENTATION OF PUERTO RICO PUBLIC HOUSING ADMINISTRATION SETTLEMENT AGREEMENT]

[SEC. 212. No funds may be used to implement the agreement between the Commonwealth of Puerto Rico, the Puerto Rico Public Housing Administration, and the Department of Housing and Urban Development, dated June 7, 2000, related to the allocation of operating subsidies for the Puerto Rico Public Housing Administration unless the Puerto Rico Public Housing Administration and the Department of Housing and Urban Development submit by December 31, 2000 a schedule of benchmarks and measurable goals to the House and Senate Committees on Appropriations designed to address issues of mismanagement and safeguards against fraud and abuse.]

[HOPE VI GRANT FOR HOLLANDER RIDGE]

[SEC. 213. The Housing Authority of Baltimore City may use the grant award of \$20,000,000 made to such authority for development efforts at Hollander Ridge in Baltimore, Maryland with funds appropriated for fiscal year 1996 under the heading “Public Housing Demonstration, Site Revitalization, and Replacement Housing Grants” for use, as approved by the Secretary of Housing and Urban Development—

“SEC. 443. ENVIRONMENTAL REVIEW.—Continued**【HOPE VI GRANT FOR HOLLANDER RIDGE】—Continued**

(1) for activities related to the revitalization of the Hollander Ridge site; and

(2) in accordance with section 24 of the United States Housing Act of 1937.]

【COMPUTER ACCESS FOR PUBLIC HOUSING RESIDENTS】

【SEC. 214. (a) USE OF PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.—Section 9 of the United States Housing Act of 1937 is amended—

(1) in subsection (d)(1)(E), by inserting before the semicolon the following: “, including the establishment and initial operation of computer centers in and around public housing through a Neighborhood Networks initiative, for the purpose of enhancing the self-sufficiency, employability, and economic self-reliance of public housing residents by providing them with onsite computer access and training resources”;

(2) in subsection (e)(1)—

(A) in subparagraph (I), by striking the word “and” at the end;

(B) in subparagraph (J), by striking the period and inserting “; and”;

(C) by adding after subparagraph (J) the following:

“(K) the costs of operating computer centers in public housing through a Neighborhood Networks initiative described in subsection (d)(1)(E), and of activities related to that initiative.”;

and

(3) in subsection (h)—

(A) in paragraph (6), by striking the word “and” at the end;

(B) in paragraph (7), by striking the period and inserting “; and”;

(C) by inserting after paragraph (7) the following:

“(8) assistance in connection with the establishment and operation of computer centers in public housing through a Neighborhood Networks initiative described in subsection (d)(1)(E).”.

(b) DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.—Section 24 of the United States Housing Act of 1937 is amended—

(1) in subsection (d)(1)(G), by inserting before the semicolon the following: “, including a Neighborhood Networks initiative for the establishment and operation of computer centers in public housing for the purpose of enhancing the self-sufficiency, employability, an economic self-reliance of public housing residents by providing them with onsite computer access and training resources”;

(2) in subsection (m)(2), in the first sentence, by inserting before the period the following “, including assistance in connection with the establishment and operation of computer centers in public housing through the Neighborhoods Networks initiative described in subsection (d)(1)(G).”.

【MARK-TO-MARKET REFORM】

【SEC. 215. Notwithstanding any other provision of law, the properties known as the Hawthornes in Independence, Missouri shall be considered eligible multifamily housing projects for purposes of participating in the multifamily housing restructuring program pursuant to title V of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105–65).】

【SECTION 236 EXCESS INCOME】

【SEC. 216. Section 236(g)(3)(A) of the National Housing Act is amended by striking out “fiscal year 2000” and inserting in lieu thereof “fiscal years 2000 and 2001”.】

【CDBG ELIGIBILITY】

【SEC. 217. Section 102(a)(6)(D) of the Housing and Community Development Act of 1974 is amended by—

(1) in clause (v), striking out the “or” at the end;

(2) in clause (vi), striking the period at the end; and

(3) adding at the end the following new clause:

“(vii)(I) has consolidated its government with one or more municipal governments, such that within the county boundaries there are no unincorporated areas, (II) has a population of not less than 650,000, (III) for more than 10 years, has been classified as a metropolitan city for purposes of allocating and distributing funds under section 106, and (IV) as of the date of enactment of this clause, has over

90 percent of the county’s population within the jurisdiction of the consolidated government; or

“(viii) notwithstanding any other provision of this section, any county that was classified as an urban county pursuant to subparagraph (A) for fiscal year 1999, at the option of the county, may hereafter remain classified as an urban county for purposes of this Act.”.]

【EXEMPTION FOR ALASKA AND MISSISSIPPI FROM REQUIREMENT OF RESIDENT ON BOARD OF PHA】

【SEC. 218. Public housing agencies in the States of Alaska and Mississippi shall not be required to comply with section 2(b) of the United States Housing Act of 1937, as amended, during fiscal year 2001.】

【USE OF MODERATE REHABILITATION FUNDS FOR HOME】

【SEC. 219. Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall make the funds available under contracts NY36K113004 and NY36K113005 of the Department of Housing and Urban Development available for use under the HOME Investment Partnerships Act and shall allocate such funds to the City of New Rochelle, New York.】

【LOMA LINDA REPROGRAMMING】

【SEC. 220. Of the amounts made available under the sixth undesignated paragraph under the heading “Community Planning and Development—Community Development Block Grants” in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105–276) for the Economic Development Initiative (EDI) for grants for targeted economic investments, the \$1,000,000 to be made available (pursuant to the related provisions of the joint explanatory statement in the conference report to accompany such Act (House Report 105–769)) to the City of Loma Linda, California, for infrastructure improvements at Redlands Boulevard and California Streets shall, notwithstanding such provisions, be made available to the City for infrastructure improvements related to the Mountain View Bridge.】

【NATIVE AMERICAN ELIGIBILITY FOR THE ROSS PROGRAM】

【SEC. 221. (a) Section 34 of the United States Housing Act of 1937 is amended—

(1) in the heading, by striking “PUBLIC HOUSING” and inserting “PUBLIC AND INDIAN HOUSING”;

(2) in subsection (a)—

(A) by inserting after “residents,” the following: “recipients under the Native American Housing Assistance and Self-Determination Act of 1996 (notwithstanding section 502 of such Act) on behalf of residents of housing assisted under such Act,” and

(B) by inserting after “public housing residents” the second place it appears the following: “and residents of housing assisted under such Act”;

(3) in subsection (b)—

(A) by inserting after “project” the first place it appears the following: “or the property of a recipient under such Act or housing assisted under such Act”;

(B) by inserting after “public housing residents” the following: “or residents of housing assisted under such Act”; and

(C) in subsection (b)(1), by inserting after “public housing project” the following: “or residents of housing assisted under such Act”; and

(4) in subsection (d)(2), by striking “State or local” and inserting “State, local, or tribal”.

(b) ASSESSMENT AND REPORT.—Section 538(b)(1) of the Quality Housing and Work Responsibility Act of 1998 is amended by inserting after “public housing” the following: “and housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996”.

【TREATMENT OF EXPIRING ECONOMIC DEVELOPMENT INITIATIVE GRANTS】

【SEC. 222. (a) AVAILABILITY.—Section 220(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000 (Public Law 106–74; 113 Stat. 1075) is amended by striking “September 30, 2000” and inserting “September 30, 2001”.

(b) APPLICABILITY.—The Secretary of the Treasury and the Secretary of Housing and Urban Development shall take such actions as may be necessary to carry out such section 220 (as amended

by this subsection (a) of this section) notwithstanding any actions taken previously pursuant to section 1552 of title 31, United States Code.]

[HOME PROGRAM DISASTER FUNDING FOR ELDERLY HOUSING]

[SEC. 223. Of the amounts made available under Chapter IX of the Supplemental Appropriations Act of 1993 for assistance under the HOME investment partnerships program to the city of Homestead, Florida (Public Law 103–50; 107 Stat. 262), up to \$583,926.70 shall be made available to Dade County, Florida, for use only for rehabilitating housing for low-income elderly persons, and such amount shall not be subject to the requirements of such program, except for section 288 of the HOME Investment Partnerships Act (42 U.S.C. 12838).]

[CDBG PUBLIC SERVICES CAP]

[SEC. 224. Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by striking “1993” and all that follows through “City of Los Angeles” and inserting “1993 through 2001 to the City of Los Angeles”.]

[EXTENSION OF APPLICABILITY OF DOWNPAYMENT SIMPLIFICATION PROVISIONS]

[SEC. 225. Subparagraph (A) of section 203(b)(10) of the National Housing Act (12 U.S.C. 1709(b)(10)(A)) is amended, in the matter that precedes clause (i), by striking “mortgage” and all that follows through “involving” and inserting “mortgage closed on or before December 31, 2002, involving”.]

[USE OF SUPPORTIVE HOUSING PROGRAM FUNDS FOR INFORMATION SYSTEMS]

[SEC. 226. Section 423 of the Stewart B. McKinney Homeless Assistance Act is amended under subsection (a) by adding the following paragraph:

“(7) MANAGEMENT INFORMATION SYSTEM.—A grant for the costs of implementing and operating management information systems for purposes of collecting unduplicated counts of homeless people and analyzing patterns of use of assistance funded under this Act.”.]

[INDIAN HOUSING LOAN GUARANTEE REFORM]

[SEC. 227. Section 184 of the Housing and Community Development Act of 1992 is amended—

- (1) in subsection (a), by striking “or as a result of a lack of access to private financial markets”; and
- (2) in subsection (b)(2), by inserting “refinance,” after “acquire.”.]

[USE OF SECTION 8 VOUCHERS FOR OPT-OUTS]

[SEC. 228. Section 8(t)(2) of the United States Housing Act of 1937 is amended by inserting after “contract for rental assistance under section 8 of the United States Housing Act of 1937 for such housing project” the following: “(including any such termination or expiration during fiscal years after fiscal year 1996 prior to the effective date of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001).”.]

[HOMELESS DISCHARGE COORDINATION POLICY]

[SEC. 229. (a) DISCHARGE COORDINATION POLICY.—Subtitle A of title IV of the Stewart B. McKinney Homeless Assistance Act is amended by adding at the end the following new section:

“SEC. 402. DISCHARGE COORDINATION POLICY.

“The Secretary may not provide a grant under this title for any governmental entity serving as an applicant unless the applicant agrees to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.”.

(b) ASSISTANCE UNDER EMERGENCY SHELTER GRANTS PROGRAM.—Section 414(a)(4) of the Stewart B. McKinney Homeless Assistance Act is amended—

- (1) in the matter preceding subparagraph (A), by inserting a comma after “homelessness”;
- (2) by striking “Not” and inserting the following: “Activities that are eligible for assistance under this paragraph shall include assistance to very low-income families who are discharged from publicly

funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions). Not”.]

[TECHNICAL CHANGE TO SENIORS HOUSING COMMISSION]

[SEC. 230. Section 525 of the Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act” (42 U.S.C. 12701 note) is amended in subsection (a) by striking “Commission on Affordable Housing and Health Care Facility Needs in the 21st Century” and inserting “Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century”.]

[INTERAGENCY COUNCIL ON THE HOMELESS REFORMS]

[SEC. 231. Title II of the Stewart B. McKinney Homeless Assistance Act is amended—

- (1) in section 202, under subsection (b) by inserting after the period the following: “The positions of Chairperson and Vice Chairperson shall rotate among its members on an annual basis.”; and
- (2) in section 209 by striking “1994” and inserting “2005”.]

[SECTION 8 PHA PROJECT-BASED ASSISTANCE]

[SEC. 232. (a) IN GENERAL.—Paragraph (13) of section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) is amended to read as follows:

“(13) PHA PROJECT-BASED ASSISTANCE.—

“(A) IN GENERAL.—A public housing agency may use amounts provided under an annual contributions contract under this subsection to enter into a housing assistance payment contract with respect to an existing, newly constructed, or rehabilitated structure, that is attached to the structure, subject to the limitations and requirements of this paragraph.

“(B) PERCENTAGE LIMITATION.—Not more than 20 percent of the funding available for tenant-based assistance under this section that is administered by the agency may be attached to structures pursuant to this paragraph.

“(C) CONSISTENCY WITH PHA PLAN AND OTHER GOALS.—A public housing agency may approve a housing assistance payment contract pursuant to this paragraph only if the contract is consistent with—

“(i) the public housing agency plan for the agency approved under section 5A; and

“(ii) the goal of deconcentrating poverty and expanding housing and economic opportunities.

“(D) INCOME MIXING REQUIREMENT.—

“(i) IN GENERAL.—Not more than 25 percent of the dwelling units in any building may be assisted under a housing assistance payment contract for project-based assistance pursuant to this paragraph.

“(ii) EXCEPTIONS.—The limitation under clause (i) shall not apply in the case of assistance under a contract for housing consisting of single family properties or for dwelling units that are specifically made available for households comprised of elderly families, disabled families, and families receiving supportive services.

“(E) RESIDENT CHOICE REQUIREMENT.—A housing assistance payment contract pursuant to this paragraph shall provide as follows:

“(i) MOBILITY.—Each low-income family occupying a dwelling unit assisted under the contract may move from the housing at any time after the family has occupied the dwelling unit for 12 months.

“(ii) CONTINUED ASSISTANCE.—Upon such a move, the public housing agency shall provide the low-income family with tenant-based rental assistance under this section or such other tenant-based rental assistance that is subject to comparable income, assistance, rent contribution, affordability, and other requirements, as the Secretary shall provide by regulation. If such rental assistance is not immediately available to fulfill the requirement under the preceding sentence with respect to a low-income family, such requirement may be met by providing the family priority to receive the next voucher or other tenant-based rental assistance amounts that become available under the program used to fulfill such requirement.

“(F) CONTRACT TERM.—A housing assistance payment contract pursuant to this paragraph between a public housing agency and the owner of a structure may have a term of up to 10 years, subject to the availability of sufficient appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts and in the agency’s annual contributions contract with the Secretary, and to annual compliance with the inspection requirements under paragraph (8), except that the agency shall not be required to make annual inspections of each assisted unit in the devel-

“SEC. 402. DISCHARGE COORDINATION POLICY.—
Continued**【SECTION 8 PHA PROJECT-BASED ASSISTANCE】—Continued**

opment. The contract may specify additional conditions for its continuation. If the units covered by the contract are owned by the agency, the term of the contract shall be agreed upon by the agency and the unit of general local government or other entity approved by the Secretary in the manner provided under paragraph (11).

“(G) EXTENSION OF CONTRACT TERM.—A public housing agency may enter into a contract with the owner of a structure assisted under a housing assistance payment contract pursuant to this paragraph to extend the term of the underlying housing assistance payment contract for such period as the agency determines to be appropriate to achieve long-term affordability of the housing or to expand housing opportunities. Such a contract shall provide that the extension of such term shall be contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, and may obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner.

“(H) RENT CALCULATION.—A housing assistance payment contract pursuant to this paragraph shall establish rents for each unit assisted in an amount that does not exceed 110 percent of the applicable fair market rental (or any exception payment standard approved by the Secretary pursuant to paragraph (1)(D)), except that if a contract covers a dwelling unit that has been allocated low-income housing tax credits pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) and is not located in a qualified census tract (as such term is defined in subsection (d) of such section 42), the rent for such unit may be established at any level that does not exceed the rent charged for comparable units in the building that also receive the low-income housing tax credit but do not have additional rental assistance. The rents established by housing assistance payment contracts pursuant to this paragraph may vary from the payment standards established by the public housing agency pursuant to paragraph (1)(B), but shall be subject to paragraph (10)(A).

“(I) RENT ADJUSTMENTS.—A housing assistance payments contract pursuant to this paragraph shall provide for rent adjustments, except that—

“(i) the adjusted rent for any unit assisted shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market and may not exceed the maximum rent permitted under subparagraph (H); and

“(ii) the provisions of subsection (c)(2)(C) shall not apply.

“(J) TENANT SELECTION.—A public housing agency shall select families to receive project-based assistance pursuant to this paragraph from its waiting list for assistance under this subsection. Eligibility for such project-based assistance shall be subject to the provisions of section 16(b) that apply to tenant-based assistance. The agency may establish preferences or criteria for selection for a unit assisted under this paragraph that are consistent with the public housing agency plan for the agency approved under section 5A. Any family that rejects an offer of project-based assistance under this paragraph or that is rejected for admission to a structure by the owner or manager of a structure assisted under this paragraph shall retain its place on the waiting list as if the offer had not been made. The owner or manager of a structure assisted under this paragraph shall not admit any family to a dwelling unit assisted under a contract pursuant to this paragraph other than a family referred by the public housing agency from its waiting list. Subject to its waiting list policies and selection preferences, a public housing agency may place on its waiting list a family referred by the owner or manager of a structure and may maintain a separate waiting list for assistance under this paragraph, but only if all families on the agency's waiting list for assistance under this subsection are permitted to place their names on the separate list.

“(K) VACATED UNITS.—Notwithstanding paragraph (9), a housing assistance payment contract pursuant to this paragraph may provide as follows:

“(i) PAYMENT FOR VACANT UNITS.—That the public housing agency may, in its discretion, continue to provide assistance under the contract, for a reasonable period not exceeding 60 days, for a dwelling unit that becomes vacant, but only (I) if the vacancy was not the fault of the owner of the dwelling unit, and (II) the agency and the owner take every reasonable action to minimize the likelihood and extent of any such vacancy. Rental assistance may not be provided for a vacant unit after the expiration of such period.

“(ii) REDUCTION OF CONTRACT.—That, if despite reasonable efforts of the agency and the owner to fill a vacant unit, no eligible family has agreed to rent the unit within 120 days after the owner has notified the agency of the vacancy, the agency may reduce its housing assistance payments contract with the owner by the amount equivalent to the remaining months of subsidy attributable to the vacant unit. Amounts deobligated pursuant to such a contract provision shall be available to the agency to provide assistance under this subsection.

Eligible applicants for assistance under this subsection may enforce provisions authorized by this subparagraph.”.

(b) APPLICABILITY.—In the case of any dwelling unit that, upon the date of the enactment of this Act, is assisted under a housing assistance payment contract under section 8(o)(13) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) as in effect before such enactment, such assistance may be extended or renewed notwithstanding the requirements under subparagraphs (C), (D), and (E) of such section 8(o)(13), as amended by subsection (a).】

【DISPOSITION OF HUD-HELD AND HUD-OWNED MULTIFAMILY PROJECTS FOR THE ELDERLY OR DISABLED】

【SEC. 233. Notwithstanding any other provision of law, in managing and disposing of any multifamily property that is owned or held by the Secretary and is occupied primarily by elderly or disabled families, the Secretary of Housing and Urban Development shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties or provide other rental assistance.】

【FAMILY UNIFICATION PROGRAM】

【SEC. 234. Section 8(x)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)(2)) is amended—

(1) by striking “any family (A) who is otherwise eligible for such assistance, and (B)” and inserting “(A) any family (i) who is otherwise eligible for such assistance, and (ii); and

(2) by inserting before the period at the end the following: “and (B) for a period not to exceed 18 months, otherwise eligible youths who have attained at least 18 years of age and not more than 21 years of age and who have left foster care at age 16 or older”.】

【PERMANENT EXTENSION OF FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS】

【SEC. 235. Section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking “demonstrate the effectiveness of providing” and inserting “provide”; and

(B) in the second sentence, by striking “demonstration” and inserting “the”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “determine the effectiveness of” and inserting “provide”; and

(B) by striking paragraph (5), and inserting the following new paragraph:

“(5) INSURANCE AUTHORITY.—Using any authority provided in appropriation Acts to insure mortgages under the National Housing Act, the Secretary may enter into commitments under this subsection for risk-sharing units.”;

(3) in subsection (c)—

(A) in paragraph (1), by striking “test the effectiveness of” and inserting “provide”; and

(B) by striking paragraph (4) and inserting the following new paragraph:

“(4) INSURANCE AUTHORITY.—Using any authority provided in appropriation Acts to insure mortgages under the National Housing

Act, the Secretary may enter into commitments under this subsection for risk-sharing units.”;

(4) by striking subsection (d);

(5) by striking “pilot” and “PILOT” each place such terms appear; and

(6) in the section heading, by striking “**DEMONSTRATIONS**” and inserting “**PROGRAMS**.”]

SEC. 204. MORTGAGE LIMITS FOR MULTIFAMILY PROJECTS.

(a) **SECTION 207 LIMITS.**—Section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively;

(2) by striking “\$9,000” and inserting “\$11,250”; and

(3) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(b) **SECTION 213 LIMITS.**—Section 213(b)(2) of the National Housing Act (12 U.S.C. 1715e(b)(2)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(c) **SECTION 220 LIMITS.**—Section 220(d)(3)(B)(iii) of the National Housing Act (12 U.S.C. 1715k(d)(3)(B)(iii)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

(d) **SECTION 221(d)(3) LIMITS.**—Section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(3)(ii)) is amended—

(1) by striking “\$33,638”, “\$38,785”, “\$46,775”, “\$59,872”, and “\$66,700” and inserting “\$42,048”, “\$48,481”, “\$58,469”, “\$74,840”, and “\$83,375”, respectively; and

(2) by striking “\$35,400”, “\$40,579”, “\$49,344”, “\$63,834”, and “\$70,070” and inserting “\$44,250”, “\$50,724”, “\$61,680”, “\$79,793”, and “\$87,588”, respectively.

(e) **SECTION 221(d)(4) LIMITS.**—Section 221(d)(4)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(4)(ii)) is amended—

(1) by striking “\$30,274”, “\$34,363”, “\$41,536”, “\$52,135”, and “\$59,077” and inserting “\$37,843”, “\$42,954”, “\$51,920”, “\$65,169”, and “\$73,846”, respectively; and

(2) by striking “\$32,701”, “\$37,487”, “\$45,583”, “\$58,968”, and “\$64,730” and inserting “\$40,876”, “\$46,859”, “\$56,979”, “\$73,710”, and “\$80,913”, respectively.

(f) **SECTION 231 LIMITS.**—Section 231(c)(2) of the National Housing Act (12 U.S.C. 1715v(c)(2)) is amended—

(1) by striking “\$28,782”, “\$32,176”, “\$38,423”, “\$46,238”, and “\$54,360” and inserting “\$35,978”, “40,220”, “\$48,029”, “\$57,798”, “\$67,950”, respectively; and

(2) by striking “\$32,701”, “\$37,487”, “\$45,583”, “\$58,968”, and “\$64,730” and inserting “\$40,876”, “\$46,859”, “\$56,979”, “\$73,710”, and “\$80,913”, respectively.

(g) **SECTION 234 LIMITS.**—Section 234(e)(3) of the National Housing Act (12 U.S.C. 1715y(e)(3)) is amended—

(1) by striking “\$30,420”, “\$33,696”, “\$40,248”, “\$49,608”, and “\$56,160” and inserting “\$38,025”, “\$42,120”, “\$50,310”, “\$62,010”, and “\$70,200”, respectively; and

(2) by striking “\$35,100”, “\$39,312”, “\$48,204”, “\$60,372”, and “\$68,262” and inserting “\$43,875”, “\$49,140”, “\$60,255”, “\$75,465”, and “\$85,328”, respectively.

SEC. 205. CLARIFICATION REGARDING MORTGAGE INSURANCE FOR PURCHASE OF EXISTING HEALTH CARE FACILITIES.—Section 223(f)(1) of the National Housing Act is amended by inserting “purchase or” immediately before “refinancing of existing debt”.

EMERGENCY HOMEOWNERSHIP COUNSELING

SEC. 206. Section 106(c)(9) of the Housing and Urban Development Act of 1968 is repealed.

FHA INSURANCE FOR HYBRID ARMS

SEC. 207. Section 251 of the National Housing Act is amended—

(1) in subsection (b), by striking “issue regulations” and all that follows and inserting the following: “require that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of an adjustable rate mortgage consistent with the disclosure requirements applicable to variable rate mortgages secured by a principal dwelling under the Truth in Lending Act.”; and

(2) by adding the following new subsection at the end:

“(d)(1) The Secretary may insure under this subsection a mortgage that meets the requirements of subsection (a), except that the effective rate of interest—

“(A) shall be fixed for a period of not less than the first 3 years of the mortgage term;

“(B) shall be adjusted by the mortgagee initially upon the expiration of such period and annually thereafter; and

“(C) in the case of the initial interest rate adjustment, is subject to the 1 percent limitation only if the interest rate remained fixed for 5 or fewer years.

“(2) The disclosure required under subsection (b) shall be required for a mortgage insured under this subsection.

“(3) The Secretary may implement this subsection in advance of rulemaking.”.

SEC. 208. MORTGAGE INSURANCE PREMIUMS FOR SECTION 203(k) AND SECTION 234 SINGLE FAMILY PROGRAMS.

(a) **RISK-BASED PREMIUMS.**—Section 203(c) of the National Housing Act is amended—

(1) in paragraph (1), by striking “and (k)” and “or (k)”; and

(2) in paragraph (2)—

(A) by inserting immediately after “subsection (v),” the following: “, and each mortgage that is insured under subsection (k) or section 234(c),”; and

(B) by striking “and executed on or after October 1, 1994.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall—

(1) apply only to mortgages that are executed on or after the date of enactment of this Act or a later date determined by the Secretary and announced by notice in the Federal Register; and

(2) be implemented in advance of any necessary conforming changes to regulations.

SEC. 209. STANDARDS AND NEED FOR HOSPITALS WITH MORTGAGE INSURANCE. Section 242(d)(4) of the National Housing Act is amended to read as follows:

“(4)(A) The Secretary shall require satisfactory evidence that the hospital will be located in a State or political subdivision of a State with reasonable minimum standards of licensure and methods of operation for hospitals and satisfactory assurance that such standards will be applied and enforced with respect to the hospital.

“(B) The Secretary shall establish the means for determining need and feasibility for the hospital. If the State has an official procedure for determining need for hospitals, the Secretary shall also require that such procedure be followed before the application for insurance is submitted, and the application shall document that need has also been established under that procedure.”.

SEC. 210. STANDARDS AND NEED FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, OR COMBINED NURSING HOMES AND INTERMEDIATE CARE FACILITIES WITH MORTGAGE INSURANCE. Section 232(d)(4)(A) of the National Housing Act is amended to read as follows:

“(A)(i) The Secretary shall require satisfactory evidence that a nursing home, intermediate care facility, or combined nursing home and intermediate care facility will be located in a State or political subdivision of a State with reasonable minimum standards of licensure and methods of operation for such homes, facilities, or combined homes and facilities. The Secretary shall also require satisfactory assurance that such standards will be applied and enforced with respect to the home, facility, or combined home or facility.

“(ii) The Secretary shall establish the means for determining need and feasibility for the home, facility, or combined home and facility. If the State has an official procedure for determining need for such homes, facilities, or combined homes and facilities, the Secretary shall also require that such procedure be followed before the application for insurance is submitted, and the application shall document that need has also been established under that procedure.”.

SEC. 210. STANDARDS AND NEED FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, OR COMBINED NURSING HOMES AND INTERMEDIATE CARE FACILITIES WITH MORTGAGE INSURANCE. Section 232(d)(4)(A) of the National Housing Act is amended to read as follows—Continued

REPEAL OF SECTION 236(s) LOAN PROGRAM

SEC. 211. (a) Section 236(s) of the National Housing Act (12 U.S.C. 1715z-1(s)) is amended—

- (1) in the heading by striking “AND LOANS”;
- (2) in paragraph (1), by deleting “and loans” after “grants”;
- (3) in paragraph (2)—
 - (A) in the matter preceding subparagraph (A), by striking “or loan”; and
 - (B) in subparagraph (E)(i), by striking “or loan (as appropriate)”;
- (4) in paragraph (3), in the matter that precedes subparagraph (A), by striking “or loan”;
- (5) in paragraph (4)—
 - (A) by striking in the paragraph heading “AND LOAN”; and
 - (B) by deleting “or loan” after “grant”, each place it appears;
- (6) in paragraph (6), by deleting “or loan” after “grant”, each place it appears;
- (7) in paragraph (7), by deleting subparagraph (D); and
- (8) by deleting paragraph (5) and redesignating paragraphs (6) and (7) as (5) and (6).

SEC. 212. AUTHORITY FOR HUD TO TERMINATE MORTGAGEE ORIGINATION APPROVAL FOR POORLY-PERFORMING MORTGAGEES.—Section 533 of the National Housing Act is amended to read as follows:

“SEC. 533. REVIEW OF MORTGAGEE PERFORMANCE AND AUTHORITY TO TERMINATE.

“(a) **PERIODIC REVIEW OF MORTGAGEE PERFORMANCE.**—To reduce losses in connection with single family mortgage insurance programs under this Act, at least once a year the Secretary shall review the rate of early defaults and claims for insured single family mortgages originated or underwritten by each mortgagee.

“(b) **COMPARISON WITH OTHER MORTGAGEES.**—For each mortgagee, the Secretary shall compare the rate of early defaults and claims for insured single family mortgage loans originated or underwritten by the mortgagee in an area with the rate of early defaults and claims for other mortgagees originating or underwriting insured single family mortgage loans in the area. For purposes of this section, the term “area” means each geographic area in which the mortgagee is authorized by the Secretary to originate insured single family mortgages.

“(c) **TERMINATION OF MORTGAGEE ORIGINATION APPROVAL.**—(1) Notwithstanding section 202(c) of this Act, the Secretary may terminate the approval of a mortgagee to originate or underwrite single family mortgages if the Secretary determines that the mortgage loans originated or underwritten by the mort-

gagee present an unacceptable risk to the insurance funds. The determination shall be based on the comparison required under subsection (b) and shall be made in accordance with regulations of the Secretary. The Secretary may rely on existing regulations published before this section takes effect.

“(2) The Secretary shall give a mortgagee at least 60 days prior written notice of any termination under this subsection. The termination shall take effect at the end of the notice period, unless the Secretary withdraws the termination notice or extends the notice period. If requested in writing by the mortgagee within 30 days of the date of the notice, the mortgagee shall be entitled to an informal conference with the official authorized to issue termination notices on behalf of the Secretary (or a designee of that official). At the informal conference, the mortgagee may present for consideration specific factors that it believes were beyond its control and that caused the excessive default and claim rate.”.

SEC. 213. REPEAL OF FEDERALIZATION OF PUBLIC HOUSING UNITS.

(a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

(b) Section 226 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.

(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.

(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.

AMENDMENT TO DOWNPAYMENT ASSISTANCE

SEC. 214. Section 8(y)(7)(A) of the United States Housing Act of 1937 is amended by striking “for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts”. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, as enacted by section 1(a)(1) of P.L. 106–377.)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

| | 2000 actual | 2001 est. | 2002 est. |
|---|-------------|-----------|-----------|
| Offsetting receipts from the public: | | | |
| 86–271910 FHA-general and special risk, Negative subsidies | 62 | 103 | 445 |
| 86–271930 FHA-general and special risk, Downward re-estimates of subsidies | | 304 | |
| 86–274330 Indian housing loan guarantees, downward reestimates of subsidies | | 6 | |
| General Fund Offsetting receipts from the public | 62 | 413 | 445 |